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Top: Prime Minister Menachem Begin and Defence Minister Ariel Sharon visit Beaufort Castle yesterday, shortly after its capture. Bottom: Israeli forces landing from the sea yesterday somewhere on the Lebanese coast. (IDF)

Tyre, Beaufort fall as IDF operation nears completion

PLO aims to slow IDF

By DAVID BERNSTEIN
Post Mideast Affairs Reporter
and agencies

Reports from Beirut confirmed last night that Israel was rapidly overwhelming PLO resistance in South Lebanon, with the PLO itself *conceding that Israel had the* military capacity to achieve almost any territorial objective it wanted — the only constraints being time, the cost in Israeli lives and possible international intervention.

In a commentary carried by the PLO's Palestine News Agency (WAFA), the PLO said its main objective now was to slow down the Israelis, inflict maximum casualties and preserve as many of its own trained men as possible.

The concession came as Israeli planes bombed PLO offices in south Beirut, narrowly missing PLO chief Yasser Arafat's own headquarters, and fierce fighting raged in and around Sidon, the PLO's regional headquarters in Southern Lebanon.

Damage to the area around the Arab University in south Beirut, described as the "nerve centre" of the PLO and target of last July's air strikes in which over 400 people are said to have died, was reported to be heavy. But this time, there appear to have been few casualties, the bulk of the population having apparently moved out in anticipation of just such a strike.

During the raid on Beirut, Syrian aircraft — for the first time since the current round of hostilities started last Friday — attempted to intervene.

According to a Lebanese police spokesman, two Syrian aircraft appear to have been shot down in dogfights with the Israeli planes. Two pilots were seen parachuting to earth and were taken to a hospital in a Christian-controlled area northeast of the capital, the spokesman said. The wreckage of only one plane, however, has been discovered.

Meanwhile, Israel was reported to have landed tanks and troops at Jiyeh, some 12km. north of Sidon. According to the Phalange-controlled Voice of Lebanon radio station, the Israeli forces had moved into the city to complete a pincer movement with other forces moving up from the south.

State-run Beirut Radio said last night that fierce fighting was taking place in a square in the northern part of the city.

The radio said that the Israelis moved into Sidon shortly after the two-hour deadline they had imposed on its 200,000 inhabitants to evacuate the city had expired.

The move on Sidon was accompanied by bombing raids up the coast as far as Na'ameh, only 12km. from Beirut. The raids prompted heavy outbursts of anti-aircraft fire in the capital itself.

Official sources said fighting was still raging in and around Tyre further south, the first place the Israel forces reached when the operation was launched.

Israel claimed last night, however, that Tyre had in fact fal-

(Continued on back page)

Syria-IDF clashes reported

Post Mideast Affairs Reporter

According to agency reports from Beirut last night Syria appeared yesterday to have become further involved in the current hostilities in Lebanon — losing at least one, and possibly two, aircraft in a dogfight with Israeli planes over the Lebanese capital, and reportedly continuing Sunday's artillery duels with Israeli troops in the eastern sector of the front.

However, it was still not clear last night whether these incidents represented a serious Syrian intent to become involved in the fighting, or were primarily token gestures designed to convince its Arab and Palestinian critics that it was not standing by idly.

Meanwhile, ominous noises came from Teheran Radio last night. It said that a high-level Iranian delegation — including Defence Minister Mohammad Salimi, Ground Forces Commander Sayyad Shirazi and the head of the Revolutionary Guards, Mohsen Reza'i — had left for Damascus yesterday to discuss possible Iranian support for the PLO and Syrians in Southern Lebanon.

The departure of the Iranian delegation coincided with a military communique issued in Teheran announcing that units of the Iranian army would be sent to Southern

(Continued on Page 2, Col. 3)

Damour said next target

By HIRSH GOODMAN
Post Defence Correspondent

Israeli forces last night were reported to be advancing on Damour, a major PLO base south of Beirut. If this unconfirmed report from Beirut is true, the decision to advance to Damour was taken late yesterday, following the speed with which the other objectives of Operation Peace for Galilee were attained. It would mean IDF ground forcers have attacked almost every point of the PLO infrastructure in Lebanon, excluding only the city of Beirut and its immediate environs.

Israeli units were still in the process of mopping up pockets of PLO resistance in the town of Sidon and along the coastal highway connecting Tyre with the mouth of the al-Alawi River, over 55 kilometres north of the Israeli-Lebanese border.

The IDF spokesman last night said that Israeli casualties had been light. He refused to be more specific, saying details would only be released once the operation was completed and families informed.

According to UN sources, Israeli jets flew 57 sorties over Lebanon yesterday, and in the afternoon a heavy strike was reported on PLO chairman Yasser Arafat's Beirut headquarters, and the headquarters of the PLO's internal security forces.

During the attack on Beirut a Syrian MiG-23 was shot down. This was the first definite sign of Syrian involvement, since Israel initiated the campaign against the PLO on Sunday.

By 6 p.m. the IDF was in effective control of an area of approximately 750 square kilometres, running from the mouth of the al-Alwai River on the Mediterranean coast, through to the town of Hatzbaya on the north-eastern tip of Fatahland.

The fall of Nabatiyeh, Hatzbaya, the Beaufort Castle, Tyre, the Achiye area and most of the coastal plain to the IDF yesterday came 31 hours after the first Israeli troops crossed the border Sunday morning, and 17 hours ahead of schedule.

During Sunday night and yesterday, paratroopers and infantrymen were landed on the coastal highway north of Sidon together with armoured vehicles, and formed a north-south axis, joining the final battle for Sidon.

Reports on Israeli-Syrian clashes were mixed yesterday. The army spokesman's office would only say that Israeli troops in the Achiye area were shelled from the direction of Karoun Lake, where Syrian artil-

(Continued on Page 2, Col. 4)

Shells fall in Galilee

Jerusalem Post Reporter

Scattered shelling of the Galilee Panhandle was reported last night, beginning at about 11.30. There were no injuries and no damage was caused.

Habib brings call for cease-fire

By BENNY MORRIS
Post Diplomatic Reporter

U.S. special Middle East envoy Philip Habib met yesterday evening with Israel's leaders and apparently conveyed to them President Ronald Reagan's call for an immediate halt to the fighting in Southern Lebanon.

Government spokesmen remained tight-lipped about the exact wording of Reagan's appeal and about Israel's reaction, but it is understood that Prime Minister Menachem Begin, Foreign Minister *Yitzhak Shamir and Defence* Minister Ariel Sharon, flanked by the director of military intelligence, Aluf Yehoshua Saguy, left Habib in no doubt that Israel intends to complete the military operation in Lebanon, as originally planned, before agreeing to cease fire and opening negotiations on a possible political solution.

With Israeli armoured columns last night reported on the outskirts of Damour, observers in Jerusalem believe that the strategic goal of the Israeli strike is not merely, as the government initially announced, to push back the PLO 40 kilometres but to destroy the PLO "mini-state" and its military infrastructure south of Beirut.

The observers believe that in the talks with Habib, to be resumed today, Israel will press for a comprehensive solution to the problem of the PLO and Lebanon. And it will insist that its northern border

(Continued on Page 2, Col. 4)

U.S. reaction 'mild'

By WOLF BLITZER
Jerusalem Post Correspondent
and Agencies

WASHINGTON. — Israel's Ambassador to Washington Moshe Arens was clearly pleased yesterday with the relatively moderate U.S. response to the Israeli action.

In Rome U.S. Secretary of State Alexander Haig said that President Ronald Reagan is studying the Israeli operation into Lebanon to determine whether or not it was a "legitimate act of self-defence."

Asked by reporters if the situation had now developed into the beginnings of a Middle East war, Haig said: "It is too early to say if it is war."

He said the U.S., as the strongest supporter of Israel, recognizes that it has a special responsibility with the Israeli sue of force. "The U.S. is inevitably expected to exercise its influence. That is an obligation that we have borne," he said.

He said he has received a "strong" communication from Egyptian President Hosni Mubarak, objecting to the Israeli action, but also "recommitting itself to the peace treaty with Israel and the Camp David process."

The U.S., Haig said, has passed a message to the government of Syria that the Israelis are not intending to have a direct clash with the Syrian forces in Lebanon. Haig said: "The Syrians are aware of the Israeli intentions."

Well-placed U.S. officials in Washington however, predicted that the Reagan administration will toughen its reaction in the coming days.

They said that the president

(Continued on back page)

The New York Times
WEEKLY REVIEW
appears in today's issue

Kremlin warns Israel on Lebanese campaign

MOSCOW (AP). — The Kremlin yesterday called for an immediate end to the Israeli action in Lebanon, blaming the incursion in part on Washington and warning that it could "cost Israel and its people plenty."

"The new Israeli aggression was undoubtedly undertaken with the consent and support of Washington, which armed Israel to the teeth and is pushing its policy of committing criminal anti-Arab actions," the official *Tass* news agency said. The commentary was distributed in a rarely used "statement" format, thought to reflect the thinking of senior Kremlin leaders.

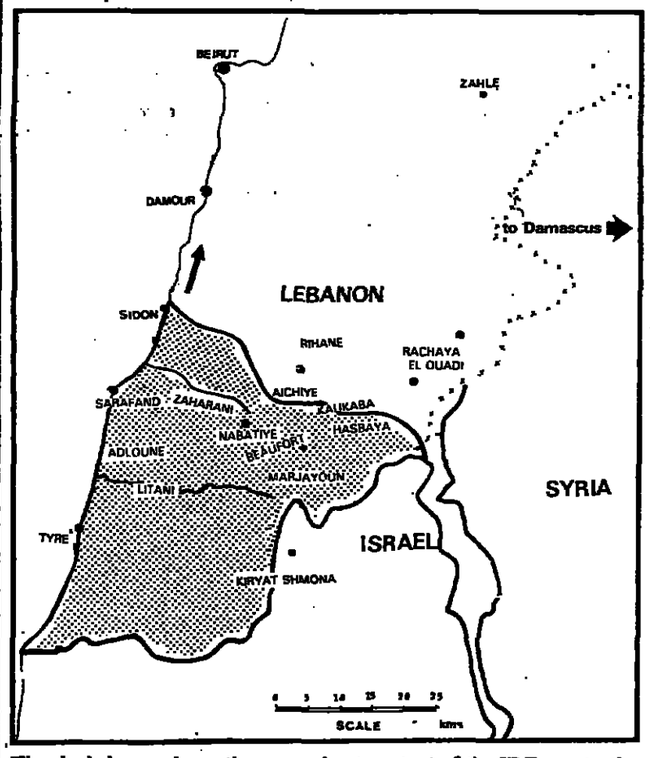
In Brussels, the 10 European Economic Community nations were yesterday considering holding a special foreign ministers meeting on the situation in Lebanon, requested by Greece on Sunday. Greece expressed its "shock and dismay" at Israel's action.

Condemnations of Israel's strike into Lebanon were issued yesterday by China, India, Japan, Spain and Yugoslavia.

RECEPTION CANCELLED

Due to the situation in the North, we have decided to postpone the reception planned for this evening, Tuesday, June 8 at the Accadia Hotel.
The wedding will be held in the family circle.

Mozes and Efron families



The shaded area shows the approximate extent of the IDF penetration into South Lebanon as of last night, based on foreign reports.

IDF avoiding confrontation with Syrians, says Eitan

By JOSHUA BRILLIANT
Jerusalem Post Reporter

IDF troops advancing through Lebanon have avoided Syrian-controlled areas even when terrorists were known to be there, Chief of Staff Rav-Aluf Rafael Eitan said yesterday.

He also reported being in daily contact with UNIFIL commander, Major General William Callaghan, and claimed that there was "an understanding" between them.

Eitan told reporters in the north: "We intentionally do not go anywhere where there are Syrians even when terrorists are there also and we know they are there. There has been no clash — either significant or otherwise — with the Syrians."

Asked about Syrian reports of an artillery duel with the IDF on Sunday, Eitan said: "I'm not sure that it (the duel) was with the Syrians. Fire was directed from an area considered to be under Syrian control and we returned fire, as we do to any place we identify as a source of shooting at our troops and our settlements. But this was yesterday (Sunday) and it didn't continue. We have no intention of establishing contact with the Syrians, anywhere," he stressed.

The IDF was clearly trying to adhere to the cabinet's directive to avoid an escalation. Small numbers of Syrian troops are still stationed at Eishiye, just 15 kilometres north of Metulla, even though Prime

(Continued on Page 2, Col. 1)

Sharon's report worries Alignment

By ASHER WALLFISH
Post Knesset Correspondent

The consensus over Operation Peace for Galilee, which prevailed during its first two days between the coalition and the Alignment opposition, seemed close to being shattered last night.

Labour leaders Shimon Peres and Yitzhak Rabin went to see Prime Minister Menachem Begin at his office last night in the middle of a cabinet session, and told him the Alignment had grave reservations about evaluations for the future in Southern Lebanon uttered by Defence Minister Ariel Sharon.

They urged that the cabinet adhere to its decision of Sunday not to attack Syrian forces unless the Syrians attack first.

Peres and Rabin told Begin they were reflecting the considered views of the Alignment representatives in the Knesset Foreign Affairs and Defence Committee.

Accordingly, Rabin and Peres urged the government to treat Sharon's evaluation with caution so that Israel did not bite off more than it could chew.

One Alignment leader told *The Jerusalem Post* he was not at all sure that Sharon had told the cabinet everything he should have told it and he believed the cabinet might be influenced to take decisions on the basis of incomplete information.

NEWS ANALYSIS/Hirsh Goodman

Keeping terror at bay after the strike

While the military element of Operation Peace for Galilee has been successfully completed, there is still potential for military trouble. The Syrians could decide to increase their involvement, and Israel could be faced with very heavy PLO resistance in ... Sidon and the entire coastal axis.

But basically, the IDF has achieved the goal set for it by the government. The question now is what the government will do with the military success.

The goal of the operation was clear: The IDF was reportedly to punch three holes into Southern Lebanon, each branch of the attack being directed against several subtargets. These targets were to have been taken within 48 hours and irreversible damage inflicted on the PLO.

By 11 a.m. today, the IDF was to have been deployed roughly on a line some 50 to 20 kilometres from the Israeli border, from north of Tyre on the Mediterranean coast, through to the most north-eastern tip of Fatahland (for details of attack see adjacent story).

The battle plan was designed to minimize civilian casualties, not only because the IDF sought to avoid internal condemnation, but also because Israel did not want to antagonize the local non-terrorist population of South Lebanon, with whom it hopes to forge a new bond.

Troops were ordered to make every effort to avoid a confronta-

(Continued on Page 2, Col. 6)

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	7.6.82 MIN C	MIN F	MAX. C	MAX. F	
AMSTERDAM	16	61	28	82	Clear
BRUSSELS	14	57	28	82	Clear
BUENOS AIRES	8	46	19	66	Rain
CHICAGO	5	41	23	73	Cloudy
COPENHAGEN	13	55	23	73	Cloudy
FRANKFURT	15	59	30	86	Clear
GENEVA	12	54	25	77	Clear
HELSINKI	4	39	11	52	Cloudy
HONG KONG	23	73	27	81	Cloudy
JOHANNESBURG	5	41	17	63	Clear
LISBON	12	54	23	73	Clear
LONDON	17	63	23	73	Clear
MADRID	15	59	27	81	Clear
MONTREAL	15	59	19	66	Rain
NEW YORK	15	59	16	61	Cloudy
OSLO	10	50	18	66	Cloudy
PARIS	20	68	29	84	Cloudy
RIO DE JANEIRO	15	59	29	84	Cloudy
ROME	19	66	27	81	Clear
SAO PAULO	12	54	21	70	Cloudy
STOCKHOLM	8	46	14	57	Clear
TOKYO	20	68	24	75	Cloudy
TORONTO	14	57	15	59	Rain
VIENNA	18	64	23	73	Cloudy
ZURICH	16	61	26	79	Cloudy

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THE WEATHER

Forecast: Fair, no change in humidity

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	50	14—23	24
Golan	44	14—23	24
Nahariya	61	15—26	26
Safad	47	12—22	23
Haifa Port	64	20—24	24
Tiberias	37	16—30	31
Nazareth	52	14—24	24
Afula	53	15—26	27
Shomron	57	15—24	25
Tel Aviv	61	17—27	27
B-G Airport	64	16—26	27
Jericho	37	17—32	32
Gaza	67	18—25	25
Beersheba	43	20—27	28
Eilat	19	22—35	35

SOCIAL & PERSONAL

The Italian Ambassador and Mrs. Girolamo Nisio yesterday held a reception at the residence in Tel Binyamin to celebrate Italy's national day.

Egypt asks U.S. intervention to stop operation in Lebanon

CAIRO (AP).— Egypt yesterday asked the U.S. to intervene to stop the Israeli action in Lebanon and press for the withdrawal of Israeli troops from that country, Minister of State for Foreign Affairs Butros Ghali said.

The appeal to the U.S. was part of a diplomatic offensive mounted by Cairo against Israel's operation in Lebanon.

In a telephone interview, Ghali said he relayed President Hosni Mubarak's appeal to President Ronald Reagan through Ambassador Alfred Atherton.

Atherton was summoned to the Foreign Ministry and Ghali said he impressed upon him the "need to act fast." Egypt has said the Israeli action is jeopardizing peace efforts in the region.

Ghali said he also summoned Israeli Ambassador to Cairo Moshe Sasson and urged him to relay to Prime Minister Menachem Begin Cairo's "deep concern" over developments and requested that Israeli troops withdraw immediately.

Similar messages were relayed to ambassadors of western countries, he said. More are planned today for heads of state of African and Asian countries.

Prime Minister Fuad Moheiddin told reporters after an emergency meeting with Mubarak and his top aides yesterday that Egypt has no plans to send arms to Lebanon, will send medical assistance if asked, and is prepared to consider an Arab summit conference on Lebanon if invited.

He also said that the stalled autonomy talks would be "kept on ice" until Israel withdraws from Lebanon.

The action in Lebanon has brought the most harshly worded denunciation yet from the Egyptian president, political opposition parties and the government-controlled media.

"This is considered a flagrant departure from the spirit of peace, a grave escalation of tension, a blatant violation of international law and legitimacy which all peoples agreed upon in the United Nations charter," Mubarak said Sunday night.

Official news braoadcasts yesterday opened with news of an agricultural cooperation treaty with Sudan, but the second item played up the fact that Egypt's condemnation of the Israeli action was among the strongest in the Arab world.

The Israeli action puts Egypt in a particularly awkward position just as it is beginning to restore its relations with the Arab world. Late yesterday Moroccan Foreign Minister Mohammed Boucetta arrived here for talks. He is the first Arab foreign minister to visit Egypt since the Arab states severed their ties following the Camp David agreements.

As a senior government official said yesterday, "Egypt sees itself as a bridge between Israel and the Arab world. We are trying to encourage Palestinians to enter the autonomy talks, but how can they be expected to do this after this kind of action?"



The Israeli pilot identified as Aharon Achiaz of Herzliya appears at a press conference in a Beirut hospital on Sunday. He said his plane was shot down over South Lebanon earlier in the morning. (UPI telephoto)



Prime Minister Menachem Begin (left) meets yesterday afternoon with U.S. special envoy Philip Habib in his office in Jerusalem. Also pictured are the prime minister's spokesman, Uri Porat (centre-left) and an aide. (Rahamim Israeli)

Argov assailants linked to int'l terror

By HYAM CORNEY
Jerusalem Post Correspondent

LONDON. — Scotland Yard has evidence that the three Arabs accused of attempting to murder Israel Ambassador Shlomo Argov are members of a Palestinian terrorist group which is "directed from abroad to attack commercial, political and tourist Israeli targets." The group is part of a larger terrorist organization which provides it with financial support.

This was stated by Commander William Hucklesby, head of Scotland Yard's anti-terrorist branch, at Bow Street Magistrate's Court yesterday, when the three Arabs appeared.

One of them, Ghassan Hassan Ahmed Said, 23, a Jordanian student, is accused of the attempted murder of the ambassador and of police officer Colin Simpson. Said came to court in a wheelchair — his neck bandaged from the gunshot wound he suffered from the police officer, and his face and hands badly scarred.

The two others, Marwan al-Banna, 21, also a Jordanian, and Nowaf Magid Miflih Rosan, 36, an Iraqi merchant, are charged only with the attempted murder of Argov. All three are charged with a number of firearms offences, including possession of F-1-type hand grenades.

Huckesby made his statement about the accuseds' connection with an international terrorist organization, while submitting the police opposition to releasing them on bail.

Al-Banna retorted: "We are not Palestinian terrorists. We should be released because we want to be free. We never killed anyone. I have been here for three years and never tried to do anything against the law."

Rosan said he had done nothing against the law in his six or seven months here.

Bail for the three was refused and their remand in custody was extended until Thursday.

DFPE no-confidence motion on Lebanon operation today

By ASHER WALLFISH
Post Knesset Correspondent

The Knesset meets at 4 p.m. today to hear a motion of no-confidence in the government presented by the Democratic Front for Peace and Equality (Communists).

The DFPE will get no supporting votes outside its own faction, but the Mapam wing of the Alignment told its Labour ally yesterday it wanted to abstain. Labour's Yossi Sarid, and Shulamit Aloni (Alignment-CRM) are said to be considering abstention as well.

However, the Mapam wing will meet this afternoon before the no-confidence debate, as will also the Alignment faction executive, which includes Mapam representatives.

Mapam's Imri R... became the first MK to be called for emergency reserve duty in the IDF during Operation Peace for Galilee. He had written his speech on the Agriculture Ministry's budget for yesterday afternoon's debate, when officers of his infantry unit turned up at the Knesset and told him he was mobilized for service. He holds the rank of rav-seren (major) and does reserve service regularly during Knesset recess. Since his name was down to speak during the afternoon and he could not change the order of speakers, he had to forgo his speech.

The DFPE letter to the speaker, requesting the no-confidence debate, listed among the many reasons for its criticism of the government, the charge that Israel sought a military confrontation with Damascus in order to "break Syria's opposition to the Camp David deal and to the U.S. plan to set up an aggressive military bloc in the Middle East."

'Israel has right to protect people'

WASHINGTON (AP). — *The Washington Post* yesterday commented, as follows, on Israel's operation into Lebanon:

"Unquestionably, the Israelis have a right to protect their people. The British have just gone 8,000 miles to assert the same principle. Many observers including the Reagan administration, have understood that Israel could not be expected to let its border towns be indiscriminately shelled — the United Nations border forces had been unable to still the PLO's guns.

"The hope now must be that as few civilians as possible are touched by the violence and that the Syrians do not allow themselves to be drawn in to what Israel regards as a limited operation against the PLO. Increasingly, the Lebanese are coming to the position that the undigested and undisciplined Palestinian presence is the root cause of Lebanon's agony.

"The purpose of diplomacy now should be to get the Israeli army out of Lebanon and the PLO's forces and the Syrian army, too. In time, one hopes, a new cease-fire will be installed, and then there will be an argument over which of poor Lebanon's numerous foreign occupiers should depart."

EITAN IN NORTH

(Continued from Page One)

Minister Menachem Begin said that he aims at creating a danger-free 40-kilometre zone above Israel's northern border.

A major Syrian force is located in an area running from northeast Nabatiyeh, east towards Mt. Hermon. This enables the Syrians to block a road connecting Marjayoun with the Beirut-Damascus Road.

The IDF yesterday avoided releasing updated information on the location of Syrian forces. But former chief of military intelligence MK Aluf (res.) Chaim Herzog said yesterday that he believed that there is a Syrian division in Southern Lebanon.

Radio Monte Carlo reported from Syria yesterday that another Syrian division was moving on the Damascus-Beirut road. This could mean Syria was merely trying to beef up its defences — especially after UNIFIL reported that two Israeli divisions had moved into Lebanon.

Eitan, who was interviewed at noon, some 24 hours after Israeli tanks and troop carriers moved into Lebanon, said that the main unexpected development was the army's ability to complete its tasks ahead of schedule. Turning to his contacts with UNIFIL, Eitan said:

"I brief Callaghan in order that there not be a situation of unnecessary clashes, or incidents involving UNIFIL soldiers. I do this every day. We have an understanding, and so far there have been no clashes between the IDF and UNIFIL..."

SYRIA-IDF

(Continued from Page One)

Lebanon to fight the Israeli forces.

The most serious instance of Syrian intervention yesterday was the aerial clash between Israeli and Syrian aircraft over Beirut, the first such clash since the latest round of fighting broke out on Friday.

A Lebanese police spokesman is quoted as saying that two Syrian aircraft appear to have been shot down.

The state-controlled Syrian news media said yesterday that Syria would continue to "defend Lebanon and the PLO against Israeli attacks," noting that this resolution had been reinforced by Sunday's artillery exchanges with the Israeli forces near Asbaya.

The Syrian command in Lebanon reportedly issued a communique in Beirut saying the Syrians pounded Israel's forwardmost positions with long-range artillery for the second straight day yesterday. The communique claimed Syrian fire had destroyed a number of Israeli armour and inflicted an undisclosed number of casualties.

The communique also said an unspecified number of Syrians were killed or wounded by shelling from Israel's newly established positions in the area of Jarjoua and Arab Salim, 19 kilometres north of Israel in the middle of the invasion thrust.

Travellers on the Beirut-Damascus highway yesterday are quoted as saying that they saw long convoys of troop-laden Syrian trucks moving into Lebanon, apparently to reinforce Syrian forces in the Beka'a Valley.

HABIB CALL

(Continued from Page One)

villages be safe from PLO threats.

It is understood that Begin will also demand that any solution must safeguard the rights and security of Major Sa'ad Haddad's Christian enclave, which is sandwiched between Israel's northern border and the UNIFIL zone and has been a frequent target of PLO attack.

U.S. spokesmen in Israel yesterday refused to comment on whether Habib arrived with any concrete proposals or guidelines for a solution to the Lebanese crisis.

Observers believe that Habib was thoroughly annoyed by the delay yesterday in arranging his meeting with the Israeli ministers. Habib had been despatched post-haste by Reagan from Versailles at night and flew into Israel in the early hours of yesterday morning, hoping to see Begin during the morning.

Begin, however, left the capital by helicopter for a tour of the Lebanese border area.

Begin and Sharon returned to Jerusalem in the late afternoon and began the one-and-a-half-hour meeting with Habib, accompanied by U.S. Ambassador Samuel Lewis, at 5 p.m. A second meeting between the Israeli leaders and Habib is scheduled for today, after which Habib may take a reply from Begin back to Washington.

The cabinet met last night to hear from Sharon about the progress of the Israeli thrust into Lebanon and about the talks with Habib.

Policy towards the overall Lebanese crisis remains, according to reliable sources, that Lebanon be restored as a sovereign, independent state and that "all foreign forces" — meaning the Syrians and the PLO — leave the country.

It is too early to say whether Israel will insist on linking its withdrawal from Lebanon with a withdrawal of these "foreign forces" and the restoration of a full sovereignty to Lebanon.

DAMOUR

(Continued from Page One)

lery is known to be deployed. There was no official confirmation of reports that the Syrians were rushing armour and troops to the area, or that they were deploying on the Beirut-Damascus highway.

The spokesman said yesterday evening that thus far the Syrians had "not bothered the IDF," but he added that, if they did "we would respond."

The most dramatic event — if perhaps not the most important — yesterday was the dawn conquest of Beaufort Castle, the strategically important position 717 metres above sea level, from where PLO spotters directed artillery and Katyusha fire on Galilee. The position, which was manned by between 30 and 50 terrorists, was surrounded Sunday night and attacked at dawn yesterday by troops from the Golani infantry brigade.

No Israeli soldiers were killed in the attack. No prisoners were taken, but several were reported to have fled the battle. For years Beaufort Castle has been the symbol of PLO terror for both the inhabitants of Galilee and those living in the area of South Lebanon under the control of Major Sa'ad Haddad. Prime Minister Menachem Begin and Defence Minister Ariel Sharon visited the position shortly after it fell yesterday morning.

According to the young officer who led the attack, the terrorists were well protected and well armed. They displayed military training and discipline, he said, adding that the task was not easy.

Beaufort Castle sits atop a pillar of sheer granite rock. It was attacked by a small detachment of infantrymen several years ago, but this is the first time the position has been taken. In the past, the Syrians deployed a forward artillery spotting post there, but they have not manned it for some time now. UN observers also used Beaufort Castle in the past.

There have been no reports of terrorist shelling of Galilee since 1 a.m. yesterday, but observers point out that there could still be terrorist rockets or artillery pieces within range of Israel, despite the depth of the Israeli push. There are still some untouched PLO positions in the northeast, north of Hatzbaya, close to forward Syrian positions. Chief of Staff Rafael Eitan said yesterday Israel had decided not to attack Syrian positions, even if there were clear indications that the PLO was there as well (see interview)

The bulk of yesterday's fighting centred in Tyre, where the terrorists put up fierce resistance to an Israeli house-by-house operation. The town was under full Israeli control by 6 p.m. though the firing continued. UN sources said last night that over 400 Israeli artillery shells were fired into the town yesterday. This was denied by Israeli sources.

The inhabitants of Tyre were apparently told by leaflets dropped by Israeli planes, to congregate in certain sectors of the city where they would not be harmed. They were given a two-hour ultimatum; those who did not comply would be assumed to be hostile.

The same procedure was used in Sidon — in normal times a city of 150,000 — where inhabitants were given until 4 p.m. to leave. Fighting continued in both Tyre and Sidon.

The terrorist stronghold of Hatzbaya fell Sunday night, while the town of Nabatiyeh was taken shortly before dusk yesterday. Both towns have thousands of terrorists deployed in and around them, as well as several key training facilities.

TERROR AT BAY

(Continued from Page One)

tion with the Syrians — even, according to Chief of Staff Rafael Eitan, if PLO terrorists were known to be in the area under Syrian control.

Syrian non-intervention in the opening stages of the war was considered to be crucial if the basic goals were to be achieved within the prescribed 48 hours. Having to deal with a Syrian threat as well as routing the terrorists would have slowed down the IDF's advance and would have led to a costlier conflict.

It seems probable there was a direct link between the increasing reports of hostile Syrian intention early yesterday morning and the IDF's accelerated timetable. As soon as the army completed its basic mission by mid-afternoon yesterday — apart from pockets of small, but fierce, resistance in Tyre, Sidon and several other centres — the Syrians ceased to pose a military threat which could not be handled easily by the IDF.

The air force was freed for both air-to-air and air-to-ground missions, and, if necessary, the IDF reserves who were called up as tension increased at the weekend were fully operational.

By yesterday afternoon, however, the terrorists had nothing to gain from Syrian intervention, and the Syrians had everything to lose.

All Israel's settlements, apart from those in the Galilee panhandle, are now out of both Katyusha and artillery range. They will remain so for as long as the IDF remains in the area, and physically prevents the terrorists from returning, or if a new status for the area is determined — as was done in Southern Lebanon after the Litani Operation — which prevents the terrorists from returning.

It is highly unlikely that Israel could realistically hope to extend Major Sa'ad Haddad's sphere of influence to include the new territories.

But there are several other possible scenarios: The UN could be persuaded to redeploy more UNIFIL troops along the new line; some meaningful connection could be made between the inhabitants of the area now under Israeli control and the pro-Israeli Phalangist forces in the north of the country, possibly including Haddad's forces in the south; or the Lebanese government could re-assert its authority over the region, under international guarantees that would prevent both the Syrians and the terrorists from returning.

There is not much hope among analysts in Israel that the UN can be persuaded to undertake a larger role in Lebanon. Moreover, there is a feeling that, given Israel's failure to heed two Security Council resolutions calling for a cessation of hostilities, the international community will not want to guarantee a new political reality it basically opposes.

An expanded UN role is also not considered to be an ideal solution by Israel. Over 600 terrorists managed to return to the area under UN control in Southern Lebanon soon after UNIFIL was deployed there, and there is little confidence that the UN alone can prevent a mass return of terrorists within a relatively short time after any agreement goes into effect.

With regard to the second option, relations between Haddad and the north on the one hand, and among the various elements of the northern community itself on the other, are unlikely to provide long-term stability.

The forces linked to Haddad could technically control the area from a military point of view, given massive Israeli aid, but there is doubt that this "marriage" could survive politically. Not unless the government of Lebanon, the U.S. and the UN recognize the status of the new state within a state and support it. A scenario which seems unlikely.

The final of the three possible solutions has the best chance of success — if allowed to happen. If the government of President Elias Sarkis receives international backing, it could form a pact with the Phalangists of the north, Haddad in the south and the non-terrorist residents of the areas taken by Israel, placing most of Lebanon under Lebanese government control. This coupled with pressure on the weakened Syria to withdraw and a final thrust against the terrorists could bring about the first, crucial steps towards restoring Lebanese independence to Lebanon.

This would be an ideal solution for Israel, for Lebanon and for the West. And that is why it has almost no chance of being implemented.

It is not clear whether the final political outcome of Operation Peace for Galilee was evident to Israel policy-makers when the plan was put into motion. There does not seem to be a unanimity of opinion within the government either regarding the future of the area or the extent to which Israel should use the current opportunity to settle accounts with the Syrians.

The Syrians still have their SAM missiles deployed in the Beka'a region, and there are still some 30,000 Syrian troops whose presence precludes the possibility of an independent Lebanon re-emerging.

Moreover, if no further action is taken against the Syrians, parts of Israel would remain vulnerable to terrorist Katyushas and artillery shells, casting doubt on the Begin government's credibility.

The opening military chapter has been successfully completed. Now the real mission must begin.

Harvard sets up post for PLO researcher

Jerusalem Post Correspondent

NEW YORK. — A research position in Harvard University for Walid Khalidi, a Palestinian scholar who founded the PLO-controlled Institute for Palestine Studies in Beirut, will be financed by a $1 million donation by an anonymous Saudi businessman, according to the dean of Harvard's faculty of Arts and Sciences, Henry Rosovsky.

Lack of casualty figures causing anxiety

Jerusalem Post Reporter

HAIFA.— The IDF spokesman's policy of silence over casualties from the action in Southern Lebanon is creating much anxiety among relatives of soldiers. The rumour mills have already vastly exaggerated the extent of the casualties.

Prof. Yosef Brandes, director of the Rambam Hospital — the main casualty reception and treatment centre — said yesterday they had been pleasantly surprised at the relatively small number of casualties in view of the heavy fighting.

He believes that if casualty figures were published the public would be reassured and a public trauma would be prevented.

He said the initial treatment given casualties in the field is very good and had greatly helped their treatment at the hospital, where department heads are filling in for doctors who have been called up.

The IDF spokesman last night announced that Israeli casualties have been "light," but refused to elaborate. The announcement said details would be released only after the operation is over and families of all casualties have been informed.

ALBERT ELLIA and Dr. JOSEPH ATTIÉ

of Beirut, Lebanon, 1982 Memorial Medallion for the Promotion of Aliya to Israel

This medallion is awarded to an individual who has rendered outstanding services in promoting aliya to Israel. The medallion is named in memory of Albert Ellia and Dr. Joseph Attié of Beirut, Lebanon, former leaders of the Beirut Jewish community. They helped hundreds of Jews to escape from Syria during the 1950's and 1960's. In addition, they helped thousands of Jews from Lebanon to make aliya to Israel, or to emigrate to other free democratic societies during this difficult period.
Albert Ellia was kidnapped and presumed killed by an unknown Arab terrorist group or by the Syrian Intelligence Agency in 1970. Dr. Joseph Attié was a distinguished physician who left Lebanon in 1973 and died in Paris, France in 1975.



This year's recipient of the medallion is DR. PINCUS B. SOLLER, 80 years of age, a prominent Jewish educator of New York who now lives in Jerusalem. Dr. Soller was the prime mover, in 1968, in organising fifty middle aged families and senior citizen couples from the New York City area to jointly construct a model 15 storey apartment building, with its own synagogue, in Jerusalem.
Despite many disappointments and obstacles over a five year period, in May, 1973 the first homeowners moved into their new building. Dr. Soller achieved, through grit and persistance and with the help of the Almighty, his goal of bringing to Israel fifty self-supporting and tax paying olim families.
This achievement induced hundreds more of their friends and families to visit Israel including some who subsequently came on aliya. Dr. Soller's example should encourage others to copy and excel.
To Dr. Pincus B. Soller we extend our congratulations!
DR. JOSEPH R. and ANNA R. GLOVSKY ACTS OF LOVINGKINDNESS FOUNDATION OF HULL, Massachusetts and the CAPTAIN YEHIEL and RUTH GLOVSKY LANGER HOSPITALITY FOUNDATION, 1 MAPU ST., JERUSALEM.
Nominations for the medallion may be submitted to us by individuals and by organisations such as the Jewish Agency, Z.O.A., Mizrahi and others. *(This notice appears in The Jerusalem Post, and Jewish publications abroad.)*
June 8, 1982

THE HEBREW UNIVERSITY OF JERUSALEM
Institute of Chemistry
You are invited to attend the
JEREMY MUSHER MEMORIAL LECTURE
to be given by-
Prof. RICHARD N. ZARE
Department of Chemistry, Stanford University U.S.A.
THE FRANCK-CONDON PRINCIPLE REVISITED
The lecture will be given in the main chemistry Auditorium (Hall 7) in the Los Angeles building, Givat Ram Campus
On Tuesday, June 8, 1982 at 3.00 p.m.

Our beloved
YOEL (Frank) PARAN
is no more.

The funeral will take place on Tuesday, June 8, 1982 at 3 p.m. in the new cemetery at Ramat Hasharon (Geha-Morasha Junction).

Aggie Paran
Amos Paran
Michal and Eli Sachs
Gizi Greenwald
and Family

Our beloved
DAVID B. ASCHER ז"ל
is no more
The funeral took place yesterday (June 7, 1982)
Shulamith Ascher and family

MIRIAM LOEBEL
has left us forever.
Please refrain from condolence visits.
Family and children

THE NORTH IN PICTURES



Left: Prime Minister Begin greets Major Sa'ad Haddad, while Defence Minister Ariel Sharon (right) looks on.

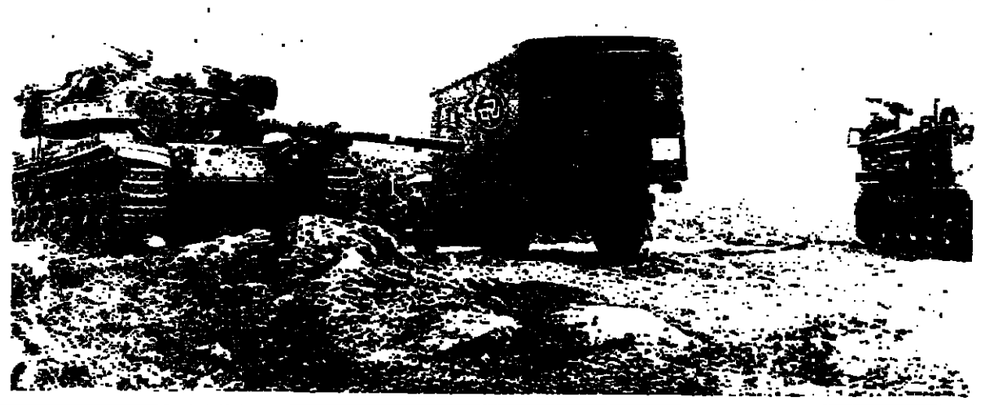
Below left: Soldiers relax during a pause in the fighting.

Right: Pounding terrorist strongholds on the Lebanese coast from the sea.

Below right: IDF troops take a break from the battle at a mobile Shekem canteen.







Savidor ejects Toubi as House session opens

By MOSHE KOHN
Post Knesset Reporter

Yesterday's Knesset session, the first since Operation Peace for Galilee was launched, opened with the veteran Communist firebrand, Tawfik Toubi (Democratic Front for Peace and Equality), getting himself ejected by Speaker Menahem Savidor less than six minutes after the latter opened the session.

As soon as Savidor had banged the gavel, Toubi stood up and raised his hand for permission to make a point of order.

"You already have one," Savidor said, apparently referring to the DFPE's no-confidence motion, due to be heard and discussed today, on what it calls the government's "decision to launch a war and invade Lebanon."

Savidor then started to read a statement on last Thursday night's assassination attempt in London on Israel's Ambassador to Britain Shlomo Argov, and on the Israel Defence Forces' current campaign in Lebanon. Toubi again raised his hand, calling: "Point of order!"

"Afterwards," Savidor said, and Toubi allowed him to finish his statement. He then stood up again and said with rapidly rising heat:

"We all share the regret over the criminal attempt on the Israeli ambassador in London. But we cannot continue with the agenda until the government, which has launched a criminal war in Lebanon, has come and given an account of itself — accounted for lighting a huge blaze in this region."

Toubi continued shouting, with Savidor banging his gavel and trying to shout him down. Savidor called Toubi to order three times and instructed the Knesset ushers to eject Toubi for the duration of the session. Four of them closed in on Toubi and escorted him from the chamber.

In the course of the shouting, Savidor said to Toubi, "I didn't hear your speech. I didn't hear any expression of shock when the Soviet Union decided to enter another country of the free world."

Interjection from Alignment seats: "There's no comparison! This is an act of self-defence!"

After Toubi left, several Alignment members suggested that the exchange be struck from the record.

Savidor: "There is nothing to strike. What will remain in the record is that I didn't hear an expression of shock when someone went and occupied another country of the free world. Suddenly they're shocked when we lift a hand to wipe out nests of murderers."

Shoshanna Arbeli-Almozlino (Alignment-Labour): "What kind of comparison is that?"

Shlomo Hillel (Alignment-Labour): "I'm sorry, Mr. Speaker, but there's no comparison, and your words were superfluous."

Jacques Amir (Alignment-Labour): "Let's wish the IDF success."

Savidor: "We said that, and I hope the entire House identifies with my opening remarks."

A short while later, Hillel again spoke up to chide Deputy Prime Minister and Agriculture Minister Simha Ehrlich, who opened his report on his ministry's activities by saying: "As our soldiers operate in Lebanon on a government mission to remove the terrorists from our borders—"

Hillel interrupted: "What kind of 'government mission'?"

Ehrlich: "The government decided to assign the IDF to carry out an operation—"

Hillel: "On the *nation's* mission, not the government's."

Ehrlich: "The government decided to give the IDF a military assignment, and the IDF is carrying out the government's assignment."

Hillel: "That is not the government's mission."

"The nation's mission," Ehrlich finally said, and continued with his report, which the House spent the next two hours debating. Ehrlich is to reply at a future session.

Foreign Ministry launches information campaign abroad

By BENNY MORRIS
Post Diplomatic Reporter

The Foreign Ministry yesterday issued "A Message from Israel to the Peoples of the World" explaining Israel's action in Lebanon — for distribution by Israeli embassies.

"We Israelis appeal to the conscience of enlightened people everywhere, asking them to understand and support us. With infinite regret, we must point out that the cease-fire of July 1981 has been interpreted in many quarters as prohibiting any and all Israeli measures against the hostile bases, while leaving the forces entrenched in these bases free to attack Israel and its citizens everywhere except across one specific border... this... amounts to a one-sided cease-fire," states the ministry message.

"We feel that in taking this position, we are entitled to the support of the world's enlightened nations," the message concludes.

The message expresses regret at the possible loss of civilian life in the Israeli operation. "Unfortunately, this is an inevitable consequence of all hostile activities, aggravated... by the positioning of anti-Israeli bases in the midst of a civilian population." The message also explains that "it is not for Israel to judge whether the government of Lebanon regards itself at war with Israel... or whether it merely tolerates (hostile activities) passively, lacking the power to enforce its rule over its own territory... The fact remains that Lebanon has become the principal base for hostile activities against Israel and for terrorist attacks the world over..."

The ministry yesterday put its *hasbara* (information) campaign into full swing, preparing and dispatching to embassies abroad large quantities of material explaining the Israeli strike.

All leave for ministry personnel has been cancelled and wives of employees have been asked to volunteer to help out — either by filling roles of employees called up or assisting in the production of the material being prepared.

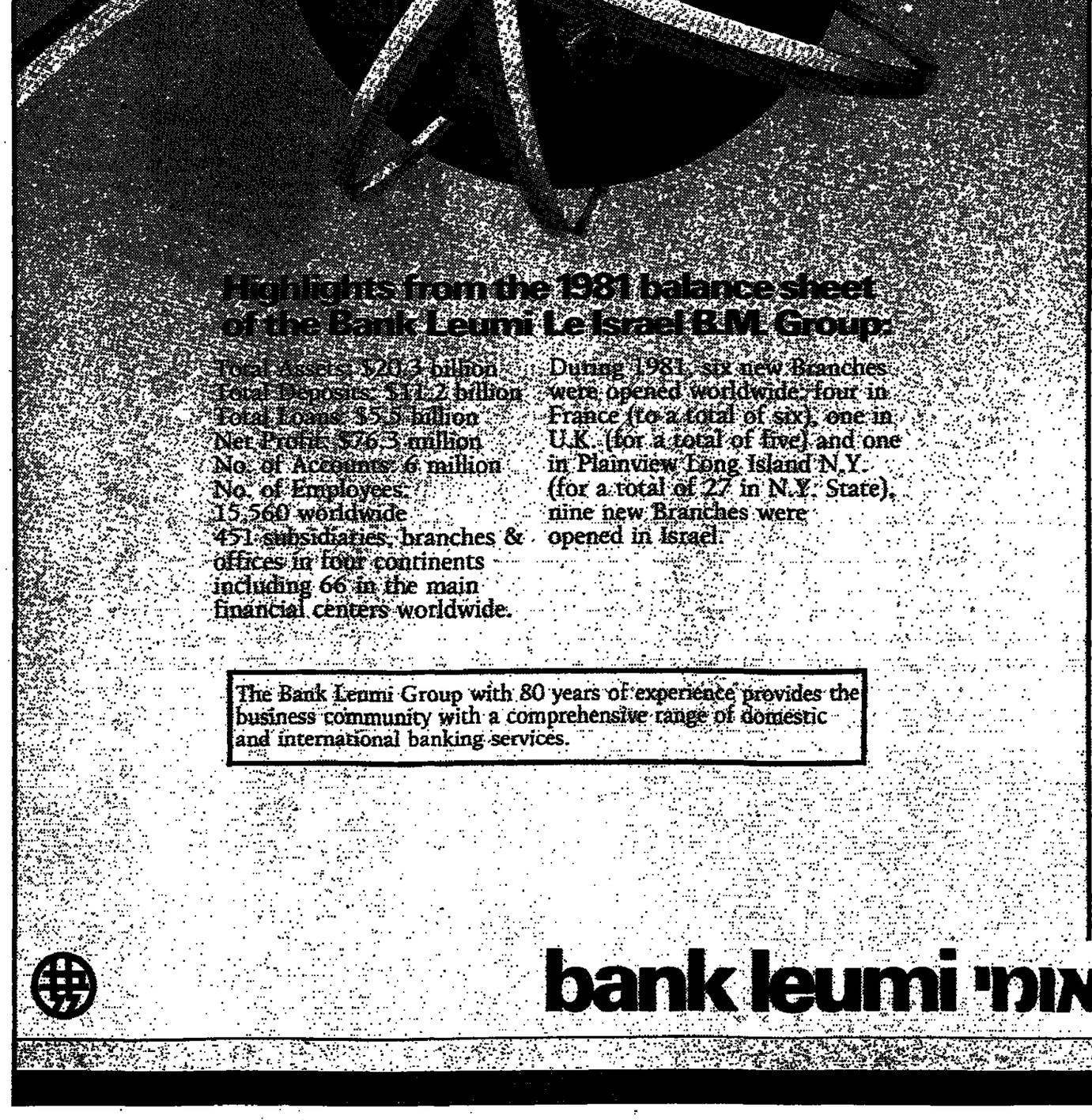
All ambassadors to Israel were yesterday called into the ministry and briefed on the motives and nature of the Israeli attack by the ministry's divisional heads.

Students defer elections

Jerusalem Post Reporter

TEL AVIV. — Studention, a new students' association at Tel Aviv University which was supposed to have elections yesterday, decided to postpone them until the situation in the North returns to normal.

Leaders of the competing student association Alternative, which is scheduled to hold elections next Tuesday, refused to agree jointly to defer elections till November.



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Large IDF columns move north

Begin to Haddad: Beaufort is yours

Jerusalem Post Reporter

METULLA. — Prime Minister Menachem Begin flew to Beaufort Castle by helicopter yesterday afternoon and met with the commanders of he units who capture it. Defence Minister Ariel Sharon accompanied him and explained details of the action.

Lebanese residents reported seeing sections of the Crusader castle crumble and fall into the Litani River as a result of the IDF bombing.

Begin later met at an IDF base in the North with militia commander Maj. Sa'ad Haddad and told him: "The Beaufort is yours."

Military police stepped up patrols along the border to examine vehicles — both military and civilian — returning from Lebanon. Searches were carried out specifically to prevent any contraband goods looted from abandoned homes in Southern Lebanon from being brought into Israel.

A general feeling of satisfaction swept northern settlements when reports came through that the Beaufort Castle — source of much terrorist shelling in the past — had been captured by the IDF. Many residents approached the border where they could see an Israeli flag flying from atop the captured fortress.

During the day, several shells fired earlier by the terrorists self-dentonated in northern Israel. No one was injured and no damage was caused.

Although residents in the North were officially permitted to leave their bomb shelters, many decided last night to spend one more night under cover. If the quiet continues, schools and other institutions are expected to reopen today.

BAD MEAT. — Anyone who bought meat tenderiser at the Gadassi Yeffet butcher shop in Rehovot's Herzl street is advised by the Health Ministry that it may contain poisonous substances and should not be used.



Former members of the British Mandatory Palestine Police gather yesterday at a plaque dedication ceremony at St. George's Cathedral in Jerusalem, after which they laid a wreath in memory of their former colleagues at the Protestant cemetery on Mt. Zion. From left, John Foster, general secretary of the Palestine Police Old Comrades Association in Britain, Mr. Frommer of Tel Aviv, and Nitzav-Mishne Avraham Fleisig, now with the Israel police. (Barzilay)

Life returns to normal in Nahariya

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

NAHARIYA.— The town snapped back to normal yesterday only hours after the terrorists' gunners and Katyusha rocketeers across the border had been pushed out of range by Operation Peace for Galilee.

The schools were reopened, the factories started working again, public transport was resumed and "next week at the latest" the city will launch a major effort to get back the tourists who were asked to leave on Sunday so that they wouldn't get hurt.

Mayor Ephraim Sharir told *The Jerusalem Post* that reductions and free entertainment would be offered to bring Israeli holiday makers to Nahariya instead of going abroad this year to express their solidarity with Galilee. The kibbutz guest houses in Galilee will join the effort.

Meanwhile, the property tax surveyors have already registered the shell and Katyusha damage in 100 local homes. The mayor estimated another 100 cases of damage are still to be assessed. The total losses amount to several million shekels, he said.

Traffic in Haifa has notably thinned out and there are very few young people left, as most Haifa men are attached to the Northern Command and have been called up. But services have also been restricted due to the absence both of buses and drivers, sent north to help the army transport its men.

The Electric Corporation workers, who have been applying sanctions for a month, suspended them yesterday in view of the situation, but their national committee will convene on Sunday to consider future action on their claim for continued automatic upgrading.

Repair crews throughout Galilee have been working hard to restore damage caused to the network by the shelling.

Haifa port operated normally yesterday and the last citrus ship of the season is loading 170,000 cases for export to Europe bringing the total shipped this season to 24.4 million cases, almost as much as last year's 24.6 million cases.

In the afternoon the Cypriot passenger ship Sol Express sailed on schedule for Europe with just over 300 passengers, the majority tourists returning home. They had all booked passage before the fighting broke out. No more passenger ships are scheduled until Thursday and so far neither liners nor cruise ships have cancelled scheduled visits.

UNIFIL countries discuss operation

Jerusalem Post Correspondent

UN. — The nine countries who sent troops to UNIFIL were to meet late yesterday to discuss whether and how to continue the operation of the UN forces in face of the Israeli action in Southern Lebanon.

TV variety show tonight, stars giving services free

Jerusalem Post Reporter

The staff of Israel Television has initiated the production of a mammoth variety show tonight after the Mabat Newsreel, with the participation of Israel's top entertainers.

Everyone connected with the show, including the artists, are contributing their services free because of the operation in Lebanon.

Kol Yisrael's Second Programme stopped broadcasting commercial announcements at noon yesterday, until further notice, so that the advertisements would not be aired in juxtoposition to news from Lebanon.

The radio continued its 24-hour-a-day coverage yesterday, with frequent news bulletins in addition to musical interludes. TV offered a special 2 p.m. news programme, as well as a news summary later in the afternoon.

The Broadcasting Authority decided to send a number of radio personalities to perform in the northern settlements.

Alleged cuckold warns he'll kill children, self

Jerusalem Post Reporter

A 40-year-old man from Jerusalem's Gilo neighbourhood yesterday threatened to kill his two children and then himself after allegedly finding his wife making love to another man in their apartment.

The husband phoned the police with his threat and an officer kept him on the line until other police could reach the flat, where they arrested him after a brief struggle. The wife has apparently gone into hiding and the children, aged four and five, were turned over to a police youth officer.

Aridor appeals for wages pact

Post Economic Reporter

Finance Minister Yoram Aridor yesterday called on the Histadrut and private employers to reach a new wage agreement to stabilize real wages. Aridor said the present emergency makes such an agreement a necessity.

At the cabinet meeting last Sunday, the minister said that present proposals by manufacturers are unacceptable as they will lead to a rise in real wages, inflation and unemployment.

A Histadrut spokesman said yesterday that wage negotiations between the labour federation and employers will resume tomorrow.

Offer of accommodation for northern children

Jerusalem Post Reporter

TEL AVIV. — WIZO's two agricultural high schools in Afula and Nahalal are ready to provide temporary accommodations for children from the Galilee who need to escape the tense situation in their home communities. Arrangements may be made by telephoning the Nir Haemek School in Afula: 065-94510; or the Agricultural High School at Nahalal: 065-66004.

Eban defers Cairo visit

Jerusalem Post Reporter

TEL AVIV.— MK Abba Eban (Alignment) has postponed a visit to Cairo at the end of this week. The invitation, from Egypt's National Democratic Party, was issued here last week by Egyptian Minister of State for Foreign Affairs Butros Ghali.

Telem to debate joining coalition immediately

By SARAH HONIG
Post Political Reporter

TEL AVIV. — A proposal will be brought before the Telem steering committee tomorrow evening that the party enter the coalition forthwith.

The proposal is to be presented and argued by MK Yigael Hurvitz, who told *The Jerusalem Post* that he has concluded that "Telem's place is in the coalition. When everything is boiled down, the choice between us is Menachem Begin or Shimon Peres and I, for one, have no doubt that I prefer Begin."

Telem sources indicate that the proposal may also be supported by MK Mordechai Ben-Porat and steering committee chairman Zalman Shoval.

There is no certainty the committee will accept the proposal, in which event, *The Post* was told, the meeting may have to decide on the party's future. There may be proposals to dissolve it completely and let the MKs decide on their own whether to enter the coalition or even the Likud. In any case, a very acrimonious debate is forecast.

The Post was told that the decision was made over the weekend and is in no way influenced by the fighting in the North.

If Telem does enter the coalition, the government majority would be restored to a slim 61 out of 120 seats.

UN orders Israel to withdraw

PLO accuses UNIFIL of collaboration with Israel

By LEON HADAR
Jerusalem Post Correspondent

UNITED NATIONS. — The PLO yesterday accused UNIFIL of "collaboration" with Israeli forces and criticized UN Secretary-General Javier Perez de Cuellar for not condemning the Israeli move into Southern Lebanon.

The accusations of the PLO deputy observer to the UN, Hassan Rahman, came as the Security Council was waiting for a report from the secretary-general, indicating that Israel did not comply with the council's call for immediate withdrawal.

Rahman based his accusation on an ABC television report, aired Sunday, in which a UNIFIL officer said he had received orders from UN headquarters not to oppose the invading Israeli forces.

Rahman said the PLO did not expect UNIFIL "to fight for us or to engage in combat with ths Israeli forces," but to "carry out its mandate" and to resist the invading Israelis. He said the UNIFIL performance has dealt "a serious blow" to the concept of the UN peacekeeping forces.

According to informed sources, the PLO representatives at the UN are in a state of "total panic" and are urging Arab and Soviet diplomats to convene the Security Council quickly and propose "strong action" to stop the Israeli advance.

The resolution adopted by ths council drafted by Ireland, after a day of informal discussions, ordered Israel to withdraw its forces "forthwith and unconditionally." The Soviets insisted on the last phrase.

Following an American demand, the resolution also called on Israel and the PLO to halt all military action "within Lebanon and across the Lebanese-Israeli border."

However, in a dramatic, hour-long address before the council, Israel's Ambassador, Yehuda Blum made it clear that Israel did not intend to comply with the resolution. The Security Council, he charged, was acting "to save a terrorist organization from well-deserved retribution."

Blum blasted the council for "evincing not the slightest interest" in scores of terrorist acts carried out by the PLO.

The Lebanese representative, Ghassan Tueni, accused Blum of attempting to blackmail and intimidate the council and to pevent it from acting.

Five arrested in brawl, protest over Lebanon

Jerusalem Post Reporter

Five people were arrested yesterday following a brawl between right-wing and left-wing students at the Hebrew University and a demonstration against events in Lebanon.

About 60 members of the left-wing student faction Campus demonstrated yesterday afternoon near the Prime Minister's Office in Jerusalem. Police called on the demonstrators, who did not have a permit, to disperse and arrested two men.

One of the two is Hebrew University professor of physics Dani Amit. The other is an American guest professor. Both were later released on bail.

The demonstrators — numbering about 150 Jewish and Arab students — then proceeded to the Mount Scopus campus where a group of about 10 right-wing students, identified as Kastel members and accompanied by Student Union chairman Haim Ben-David, allegedly attacked the demonstrators. Police arrested three students, all Campus members. They, too, were later released.

Rabbinate asks prayer for victory in Lebanon

The chief rabbinate yesterday determined that Israel's strike into Lebanon is "a divinely sanctioned war" *(milhemet mitzva)* and called upon worshippers here and abroad to say special prayers for the welfare and victory of IDF troops

The rabbinate recommends that psalms be read during the morning service, particularly Psalm 83, and that the traditional "May He who blessed" *(mi shebarach)* prayer be chanted "for the well-being and victory of IDF forces in Lebanon."

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Reagan at Windsor Castle after talks in Paris, Rome

WINDSOR (UPI). — At the halfway point of his 10-day European tour, U.S. President Ronald Reagan yesterday met a pope, two presidents and a queen.

The busiest day of Reagan's trip saw him fly from from Paris to Rome and then to London where he boarded a helicopter for a short hop to Windsor Castle.

He was solemnly welcomed at the foot of the castle steps by Queen Elizabeth II and her son Prince Charles.

Reagan was greeted at Heathrow Airport by Prince Philip, the Queen's husband, and by Prime Minister Margaret Thatcher, with whom he had been conferring the previous day at the Versailles economic summit.

Earlier yesterday, Reagan and Pope John Paul II discussed the threats to world peace during a private audience in the Vatican and afterwards, the president had to blink back tears when a group of priests sang "God Bless America" in the Vatican's marbled halls.

Reagan flew to Rome from France where he attended the economic summit of western leaders and later met with French President Francois Mitterrand.

In Rome Reagan also met with Italian President Sandro Pertini and Prime Minister Giovanni Spadolini. But it was his audience with the pope that moved Reagan and his wife Nancy.

"This is my first visit to Europe as president and I would like to think of it as a pilgrimage of peace," Reagan told the pope.

John Paul said he too was most concerned with the quest for peace, "peace in our day." He noted the "centres of acute tension manifested above all in the crisis in the South Atlantic, in the war between Iran and Iraq, and now in the grave crisis provoked by the new events in Lebanon."

Secretary of State Alexander Haig, who attended part of the audience between Reagan and the pope, told reporters that the two discussed every crisis area in the world, including the conflicts mentioned by John Paul.

ANC claims bombings in South Africa

DAR ES SALAAM (UPI). — The African National Congress yesterday claimed responsibility for a series of bombings and sabotage acts in South Africa in the period prior to the June 16 anniversary of the Soweto riots.

A statement released by the black resistance movement's office in the Tanzanian capital said that the attacks were carried out last week by "engineering units" of the ANC. It said that four bombs were exploded at a coal mine. A petrol depot was set alight and a railway station and signal house were destroyed.

Earthquake in Mexico

MEXICO CITY (AP). — An earthquake measuring 6.5 on the Richter scale shook Mexico in the early morning hours yesterday from as far south as Oaxaca to the capital, with no immediate reports of damage.

UK-built Argentine planes bomb advancing British

LONDON (AP). — Argentine warplanes bombed British forces advancing on the Falkland Islands capital of Port Stanley "over the last day or so," but there have been no British casualties, Defence Ministry spokesman Ian McDonald said yesterday.

In the first official announcement in six days on the tightening British ring around the Argentine stronghold, McDonald reported that "British troops are patrolling forward territory and consolidating their positions" close to the Argentine defensive perimeter.

He told a news conference that the air raids were probably by British-built B-62 Canberra bombers. British artillery on high ground close to Stanley bombarded Argentine positions, he added, but gave no details of the advance by an estimated 7,500 commandos, paratroopers and infantry.

British correspondents at the front have reported skirmishing and commando raids in the last few days that have apparently pushed Argentine defenders back to within less than 2 km. of the capital.

McDonald said British troops including Nepalese Gurkhas who landed from the requisitioned liner Queen Elizabeth 2 about a week ago, "are on patrol" behind the British lines mopping up "Argentine pockets of resistance."

The ministry spokesman said Argentine Canberra bombers had attacked advancing British troops "in the last day or so" but caused no British casualties.

McDonald shed no light on secret commando operations reported Sunday night by British correspondent Michael Nicholson.

"There are under way at this moment operations which I can only describe as extraordinarily daring," Nicholson said. "If they are successful, (they) will bring an end to this war that much closer."

Nicholson added: "The British push is really on."

Mozambique's security chief defects

JOHANNESBURG (UPI). — Mozambique security chief George Costa applied for political asylum in South Africa on Monday, police announced yesterday.

Costa, who was visiting South Afric, decided to defect shortly before he was due to leave for Maputo, the South African Broadcasting Corporation reported. Costa said his main reason was that the Mozambique economy had been brought to its knees.

The head of the South African security police, Gen. Johan Coetzee, said Costa, 30, had decided to stay in South Africa of his own free will and had not been "influenced."

Costa, he said, had been visiting South Africa on routine business connected with drug smuggling and border control. Police refused to say whether Costa's application for asylum had been granted.

Turkish envoy in Portugal assassinated

LISBON (Reuter).— A Turkish diplomat was shot dead and his wife seriously injured near Lisbon yesterday. A group calling itself Justice Commandos against Armenian Genocide later claimed responsibility.

Portugal's Republican Guard said that Turkish administrative attache Erkut Akbay was shot dead outside his home in Linda-a-Velha on the outskirts of Lisbon as he returned home for lunch. His wife was rushed to a hospital with severe wounds and underwent emergency surgery.

A few hours later a man telephoned a French news agency in Lisbon and claimed responsibility for the attack in heavily accented English.

"Calling is Justice Commandos against Armenian Genocide. We have killed two Turkish diplomats," an agency journalist quoted the man as saying. (Armenian nationalists accuse Turkey of having massacred 1.5 million Armenians in Turkey during World War I.)

Witnesses said that a man in his twenties dressed in a track suit and wearing a white stocking mask threw a gun under Akbay's car after shooting the couple and then fled on foot. Akbay, who had been in Lisbon two-and-a-half years, had five bullet wounds from a nine-millimetre pistol.

Economic summit concludes, limits Soviet trade credits

VERSAILLES (AP). — After two days of diplomacy at formal conferences and intimate dinners, U.S. President Ronald Reagan came away from an economic summit of America's six major trading partners with a vaguely worded agreement by allies to limit their trade credits to the Soviet Bloc.

In exchange, Reagan consented to their request for global discussions on helping poor and developing nations. Neither side made any specific commitments.

The summit participants — Britain, Japan, West Germany, Italy, France, Canada and the U.S. — also agreed to cooperate on easing world currency fluctuations and to fight worldwide inflation and unemployment.

"We accomplished what we set out to do," U.S. Treasury Secretary Donald Regan maintained afterward. "The intention is to cut it down. It is not an open door any more...the word is limit."

The trade credit issue allowed the Reagan administration to remove the focus from high budget deficits and interest rates in the U.S., which have driven up interest rates in Europe, causing allies to pressure Reagan to take action to reduce them.

With the economies of Europe as plagued by unemployment as that of the U.S. — where joblessness in May reached a postwar record of 9.5 per cent — the joint statement also called for increasing growth and employment.

As for trade credits to the Soviet Bloc, European leaders had objected initially to what one French official called America's "one-sided obsession" with the issue.

The U.S. administration contended that the credits were enabling the Soviet Union to use scarce resources for a military buildup while purchasing industrial goods on easy credit terms.

However, the ultimate decision by the U.S. trading partners to go along with the vague language calling for caution in their trade with the Soviet Bloc may have been influenced more by Moscow's poor credit rating than its military might.

On that subject, the communique said the nations "have agreed to handle cautiously financial relations with the USSR and other Eastern European countries, in such a way as to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits."

Since the Reagan administration started pressing the trade curbs earlier this year, European leaders have been saying that any agreement would be the natural result of market conditions.

The Soviet Union and its allies have an estimated $80 billion debt to Western countries and commercial credits to the East Bloc, backed by Western government guarantees.

West German Chancellor Helmut Schmidt, without alluding specifically to large U.S. grain sales, told reporters that while his country's trade with the Soviets has declined 20 per cent since 1978, U.S.-Soviet trade has increased 5 per cent.

Regan defended the U.S. grain sales to the Soviets by saying they were not granted on credit.

The carefully worded communique promise on aid to developing countries required none of the nations to increase its aid to the world's poor countries.

The U.S. will host the nine economic summit next year.

U.S. Embassy in Beirut is attacked by rockets

BEIRUT. — At least two rockets slammed into the American embassy yesterday on the second day of the Israeli operation into Southern Lebanon, an embassy telephone operator said.

She said she knew of no casualties, but most of the staff rushed to a shelter in the building set on the Mediterranean Sea in Moslem-controlled West Beirut.

"The damage is not that much," the operator said.

No one claimed responsibility for the attack which occurred while Beirut streets resounded with anti-aircraft fire aimed at Israeli jets over the city.

Earlier in the day a crowd gathered in front of the seven-storey embassy to protest the Israeli action. Many carried signs urging the U.S. to pressure Israel to withdraw. News photographers estimated the crowd at about 150 persons.

The U.S. State Department announced Sunday that 40 per cent of the approximately 50 U.S. diplomats in Lebanon would be temporarily withdrawn and all embassy dependents were ordered out.

Embassy spokesman John Reid had said the partial evacuation was a "precautionary" measure.

A rocket hit the embassy overnight on April 12, one day after an American-born Israeli opened fire with an automatic weapon at the Dome of the Rock in Jerusalem.

In Paris, police bomb squad experts yesterday defused an explosive device planted outside the American Express office, officials said.

They said a pressure cooker contained small butane gas cans, three sticks of dynamite and a wick that apparently went out.

There was no word on who planted the device.

In Islamabad, Pakistan, eight of the 18 people accused of burning the American embassy on November 21, 1979, were given the benefit of doubt by a court Sunday and set free, court officials said yesterday.

The remaining 10 did not appear in the court for trial and police could not trace them.

An American Marine guard, a Pakistani employee of the embassy and two students of a local college were killed during the attack. (AP-UPI)

Rebels capture Chad capital

PARIS (AP). — The rebel forces of former Chadian prime minister Hissene Habre, driven out of the capital city of N'Djamena 18 months ago with the help of Libyan troops, recaptured the capital yesterday in a brief battle, Habre's representative in Paris reported.

The rebel troops, who on Saturday eliminated the last obstacle in their march to N'Djamena by capturing the town of Massaguet, moved in at dawn and had gained complete control by 8 a.m., Ahmed Affal, the rebel spokesman said.

The report was confirmed in N'Djamena by the French news agency Agence France Presse, which reported that President Goukouni Oueddei's troops began evacuating the city in a long line of military trucks yesterday morning.

Goukouni's whereabouts were not known. AFP reported a brief 30-minute fight in the area of the presidential residence, then only sporadic shots.

Neither the Organization of African Unity peace-keeping force nor those loyal to former foreign minister Ahmat Acyl, part of the ruling political-military coalition, intervened in the brief fight.

In December 1980, Goukouni called on Muammar Gaddafi for help in a savage battle with Habre for N'Djamena. The intervention of Libyan troops tipped the war in favour of Goukouni and sent Habre fleeing to extreme eastern Chad where he regrouped and began the long fight to return.

Red Brigades leader arrested in Italy

ROME (UPI). — Police yesterday announced the arrest of a Red Brigades leader, believed to be one of those sentenced in absentia for the kidnapping of U.S. Brig. Gen. James Dozier.

Reliable reports, unconfirmed by police pending a news conference, said the arrested terrorist was Remo Pancelli, who was sentenced in absentia to 26 years in jail by the court that tried Dozier's kidnappers in March.

Pancelli, one of eight defendants still on the run at the time of the trial and tried in absentia, was also sought by police for the December 1980 assassination of Carabinieri Gen. Enrico Galvaligi in Rome and the murder or attempted murder of other prominent officials.

At least 18 die in Eastern U.S. storm

NEW YORK (AP). — A storm that dropped up to 28 centimetres of rain on the northeastern U.S. washed out dams and bridges, tore houses off foundations and sent up to 3.6 metres of water through towns. Authorities said that at least 18 people died.

At least nine deaths occurred in Connecticut, two in Massachusetts and seven in Rhode Island. The heavy rain, which began on Friday, tapered off yesterday.

The most severe problems were reported in Ivoryton, Connecticut, where two dams on the Fall River burst on Sunday, releasing a wall of water that washed away four houses and several cars. Damage in the Ivoryton area is estimated at $1 million.

27 Indian soldiers killed in avalanche

NEW DELHI (AP). — Twenty-seven Indian military personnel, including a captain and three junior officers, were killed on Saturday when a massive avalanche crushed an army camp in Sikkim State near the Tibetan border, a government spokesman reported yesterday.

The disaster occurred at an altitude of 2,800 metres near Yumthang, 600 kilometres north of Calcutta, the spokesman added. The army rescue team recovered 20 bodies buried under snow and boulders but was still looking for the others.

KAUNDA. — President Kenneth Kaunda of Kenya was admitted to hospital in Lusaka at the weekend for an annual medical check-up, a government spokesman said yesterday.

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Crete

Tourist grade hotel HOTEL IRO $275 breakfast only

Grade A hotel HOTEL LYTTOS $392 half board

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Sports

Internal rivalry undercuts national team

By PAUL KOHN
Post Sports Reporter

TEL AVIV. — An intriguing boxing duel takes place at the Tel Aviv University main hall this evening when Israel engages a strong North of England representative team. The first of the seven bouts is at 8 p.m.

Two British internationals are in the visiting squad — Mohammed Hanis who won the national featherweight division in 1980, and Jeff Decker in the 63 kg. class, who has boxed 17 times for England.

The Israelis will go into the contest hamstrung by internal political disputes. No Maccabi boxers are included because of a dispute between the Maccabi boxing section and the rest of the local boxing world over team selection. That means five Israeli champions will not enter the ring tonight.

Israel will, however, be represented by three of the current national champions — 51 kg. champion Moshe Shugoke of Lod, and [illegible] Nissnass (57 kg. division) and [illegible]em Baraka (63 kg.) both of the [illegible]den Gloves club in Acre.

The contest is a return event for [illegible] matches which Israel won in [illegible]wcastle and Leeds earlier in the [illegible]r. It came about because of in[illegible]st in Isreli sport shown by a [illegible]ish Jewish travel agent, Eddy [illegible]xman of Leeds. He is sponsoring [illegible] tour of the 12 British boxers and [illegible]ur accompanying officials.

[illegible]ll the proceeds from tonight's [illegible]nt will go to the defence fund, [illegible]BI.

Scots fans urged to stay dry

GLASGOW (AP).— Ernie Walker, secretary of the Scottish Football Association, has appealed to Scotland's notorious supporters to behave themselves during the World Cup finals. An estimated 10,000 Scottish fans will travel to Spain.

Walker asked fans to: "Be proud of your team, Be Scottish — but, above all, behave."

He added: "It is vitally important that we are not shamed in the eyes of the world by our spectators."

Walker also asked supporters not to over-indulge in drink.

"This can result in the sort of aggressive, unpleasant behaviour decent Scots deplore," he said. "Everyone connected with the team can do without it."

Wilander revels in surprises

PARIS (AP). — Perhaps no one was more surprised at the record-shattering French Open tennis title match than Swede Mats Wilander, the 17-year-old sensation whose triumph over Guillermo Vilas has made him the youngest ever men's grand slam tournament champion.

"When I had my match point, it was the first time I thought I could win," the unseeded Wilander said after his 1-6, 7-6, 6-0, 6-4 victory over the 29-year-old Argentine. "After the first set, I didn't think I had a chance."

Suffering from a cold and troubled by cramps in his arm, the Swedish teenager overcame his 1-6 first-set loss and captured the $66,000, winner's purse. "I started getting cramps in my arm in the fourth set and I was very tired," the blond, 1.80 metre Wilander said. "I don't know what would have happened if we had gone another set."

Wilander's upset of Vilas, the No. 4 seed, ended his fellow Swede Bjorn Borg's distinction of being the youngest champion. "It really doesn't matter being the youngest," Wilander said. "The important thing is to win the match."

"He played better and I don't have any complaints," Vilas said after his loss. Vilas said Wilander's slow balls were the key to the match, which was played from the baseline with rallies as long as 90 strokes.

"His balls take a long time to come down," Vilas said. "It gives him lots of time to go back into position. I didn't known how to deal with it." Vilas served the only ace of the match in the first set.

Tennis marathon

SHREVEPORT, Louisiana (AP). — Local tennis pros Chris Brown, Jim Livesay, Stewart Bunn and Marvin Street claim to have shattered a group of Australians' world record for marathon doubles, playing nonstop for 90 hours at a local tennis club over the weekend.

Fran Perlman, chairman of the benefit to build a $175,000 tennis complex for centenary college, said the foursome exceeded the old record by five hours and 53 minutes before quitting.

To keep up their strength, the players ate meat with fat, pasta, butter, fruit, fruit-juice popsicles and an electrolyte drink for athletes. Most was eaten a few bites at a time during the 90 seconds allowed for change of courts between alternative game. Some also was eaten during the five-minute breaks allowed each hour under rules for getting into the Guinness Book of Records.

World Cup fever starts to grip Spain

By SUSANA HAYWARD

MADRID (AP). — Soccer fever is beginning to grip Spain as the final countdown for the World soccer Cup has begun. The last competing teams are arriving in Spain for their final week of training before the opening game next Sunday in Barcelona.

Brazil, one of the favourites to take the title, arrived yesterday in Seville in southern Spain, where they play their first game against the Soviet Union on June 14. For the past week, the three-times World champions have trained in neighbouring Lisbon playing three friendly games against Portuguese clubs — and winning every encounter convincingly.

"The work was well done, we've done exactly what we should have done and we are ready for the World Cup now," said coach Tele Santana.

Peru and Algeria also flew in yesterday after Chile, Honduras and Cameroon had arrived on Sunday, bringing to eight the number of countries already here for the competition.

Honduras landed in Madrid showing unusual good-will. The contingent bore a Honduran flag which read: "Spain, Honduras hopes to see you champion." The two countries meet in the first match in Valencia on the Mediterranean coast on June 16.

Italy, training in Pontevedra on the Atlantic coast, showed top form in beating a local team 7-0 in warm-up play over the weekend.

Champions Argentina have been in Alicante on the Mediterranean coast for a full two weeks. On Sunday, they buried a local team 15-0 in the Villajoyosa stadium befoe a packed crowd of 5,000 local fans. The star Diego Maradona, who tore a muscle in his right leg before leaving Buenos Aires, appeared in good shape, casting aside doubts that he might not be able to play in the opening match against Belgium in Barcelona next Sunday.

Stadler and Carner burn up courses

BETHESDA, Maryland (AP).— Masters champion Craig Stadler became the first three-time winner on the PGA golf tour this year on, firing a final rain-soaked 3-under-par 69 to capture the $400,000 Kemper Open here by seven shots, the largest winning margin of 1982.

Stadler's 72-hole total of 275 was 13-under-par on the 7,173-yard course. Steve Ballesteros of Spain was second with a closing 69 for 282.

Stadler, this year's No.1 money-winner, earned $72,000 and pushed his season's total past $312,000. Gil Morgan muffed an opportunity to tie Ballesteros for second. The non-practising optometrist missed a 10-foot putt to save par at 18.

On the women's circuit Joanne Carner sprinted to a lopsided 6-shot victory with a 5-under-par 67 in the final round of the rain-interrupted LPGA McDonald's Kids' Classic in Pennsylvania.

Carner, the all-time leading money-winner in women's golf, pocketed the $37,500 first prize in her 34th career win. She needs just one more win to enter the LPGA hall of fame.

A powerful golfer known on the tour as "Big Mama," Carner had flatly predicted victory after carving out a 1-shot advantage after three rounds. And her scorching final round was just one stroke off the course record and gave her a final total of 276.

Cambridge man in England team

LONDON (AP). — All-rounder Derek Pringle, a Cambridge University student seen as a possible successor to Ian Botham, will make his test debut this week after the England selectors named him as the surprise inclusion in England's squad of 12 to play India at Lord's.

Pringle, 23, who sat his final examinations in Land Economics last Friday, is the only new face in the England team for the Golden Jubilee test that starts Thursday. Botham also was named.

The 6-foot, 4-inch-tall-Pringle, who sports an earring, has a batting average this year of more than 80 and is a daring choice, the first university undergraduate to play for England since the 1950s.

Peter May's selectors also named England stalwarts Bob Willis, captain, and Paul Allott as opening bowlers. But Graham Dilley, who has turned in lacklustre performances recently, has been ditched for the time being.

Geoff Cook will open with Chris Tavare. The 30-year-old Northants captain, who hit a century against Leicester last week, replaces Barry Wood, while South African born Alan Lamb who played so well in last week's 1-day tests is also included.

The Team: Willis, Tavare, Cook, Lamb, Gower, Randall, Botham, Pringle, Edmonds, Miller, Taylor, Allott.

Royals slash Yankee pride

NEW YORK (AP). — Willie Aikens' five hits, including three doubles, and four runs batted in paced a 22-hit attack as the high-flying Kansas City Royals mauled the New York Yankees 14-1 for their fifth consecutive victory, the centerpiece of Sunday's American baseball action.

The Royals also had three RBI apiece by Hal McRae and John Wathan and a homer by George Brett. Vida Blue allowed just two hits in six shutout innings. Reliever Grant Jackson gave up a Butch Wynegar homer in the eighth.

Kansas City had taken a 4-0 lead in the third on McRae's bases-loaded triple and Aikens' double. In the fifth, after Brett homered, McRae walked and scored on Aikens' double. The Royals then sent 13 batters up in an eight-run sixth inning, Wathan knocking in three runs with two hits.

Also in the American League, Ted Simmons and Jim Gantner homered as Milwaukee ripped Oakland 7-2, the Brewers' fifth consecutive victory and fourth under interim manager Harvey Kuenn.

Rick Miller's single broke a tie in the top of the seventh and Boston relief ace Mark Clear silenced California as the RedSox won 5-1, stretching the Angels' losing streak to seven games. Eddie Murray's two-run homer off Ron Davis in the 11th inning boosted Baltimore to a 7-5 victory over Minnesota.

Detroit chased Gaylord Perry with a six-run first innings, three scoring on Lance Parrish's double, and Dan Petry pitched a three-hitter as the Tigers trounced Seattle 10-2.

Von Hayes sparked Cleveland's four-run eighth innings with a two-run, tie-breaking single and the Indians beat Toronto 7-5 for a split of the doubleheader. The Blue Jays, halting the Indians' 11-game winning streak, took the opener 5-1.

In an AL night game Texas beat Chicago 5-4 as Jerry Koosman gave up a pair of two-out, eight-innings hits and Jim Sundberg greeted reliever Salome Barojas with a tie-breaking single.

In a National League night game, Danny Heep drove home two runs in the bottom of the ninth with a pinch single and later scored on Phil Garner's infield single as Houston rallied to beat Philadelphia 7-6.

Also in the NL, Ron Hodges' three-run homer and Joel Youngblood's solo shot paced the New York Mets' 6-3 victory over Cincinnati. Cesar Cedeno homered for the Reds.

Run-scoring singles by Gary Carter and Chris Speier in the eighth enabled Montreal to break a 3-3 tie and beat Atlanta 6-3. Dale Murphy homered for the Braves and Andre Dawson hit one for Montreal.

American League
Eastern Division

	W	L	Pct	GB
Detroit	32	18	.640	—
Boston	33	19	.635	—
Cleveland	27	24	.529	5½
Milwaukee	27	24	.529	5½
New York	25	25	.500	7
Baltimore	25	26	.490	7½
Toronto	24	29	.453	9½

Western Division

Kansas City	29	21	.580	—
California	31	23	.574	—
Chicago	29	22	.569	½
Seattle	26	29	.473	5½
Oakland	25	30	.455	6½
Texas	17	30	.362	10½
Minnesota	13	43	.232	19

Sunday's Results
Toronto 5, Cleveland 1 and 5-7
Detroit 10, Seattle 2
Kansas City 14, New York 1
Baltimore 7, Minnesota 5, 11 innings
Boston 5, California 1
Milwaukee 7, Oakland 2
Texas 5, Chicago 4

National League
Eastern Division

St. Louis	33	21	.611	—
Montreal	26	23	.531	4½
Philadelphia	27	24	.529	4½
New York	28	25	.528	4½
Pittsburgh	22	28	.440	9
Chicago	21	33	.389	12

Western Division

Atlanta	30	21	.588	—
San Diego	28	22	.560	1½
Los Angeles	27	27	.500	4½
San Francisco	25	30	.455	7
Houston	24	29	.453	7
Cincinnati	22	30	.423	8½

Sunday's Results
Pittsburgh 2, San Diego 1
Montreal 6, Atlanta 3
Los Angeles 5, St. Louis 3
New York 6, Cincinnati 3
San Francisco 5, Chicago 3
Houston 7, Philadelphia 6

76ers still down but not out yet

PHILADELPHIA (AP).— Andrew Toney scored 31 points as the Philadelphia 76ers stayed alive in the National Basketball Association playoffs by swamping Los Angeles 135-102 on Sunday night, thereby temporarily at least keeping the Lakers from gaining the championship.

The victory narrowed the Lakers' best-of-seven series edge to one game, 3-2, as the 76ers handed the Lakers only their second post-season loss in 1982 following 11 victories.

Los Angeles	28	34	27	21	—102
Philadelphia	20	34	37	44	—135

Wielders of the Israeli willow

By PHILIP GILLON

Later this month an Israeli cricket side will try their luck with the willow in the "mini world cup," a competition between the minor cricketing countries of the world. The glittering prize for the winner is the right to participate with seven major cricketing countries in the World Cup finals.

"Minor" is somewhat of a misnomer. Among the teams Israel will play Zimbabwe (formerly Rhodesia), for instance, include several players of international calibre, who are already acquitting themselves very creditably in matches against English county sides. It will require a vast slice of "the glorious uncertainty of cricket" for Israel to defeat such teams. Still, David did slay Goliath...

Israeli cricket teams are largely a blend of immigrants from South Africa and India, with occasional additions from Great Britain, Australia, Holland and the West Indies and an increasing number of young Sabras. The South Africans and Indians brought with them in their baggage a passion for what many think is the greatest and most subtle of all games. In the team are several players who came to this country as schoolboys, and who have developed their skills on the rugged outfields and coconut mat wickets of Israel, instead of on the lovingly nurtured turf of the countries whence they came.

The captain of the touring side, Hillel Awasker, born in Bombay, is 22: he was 15 when he left India to come on *aliya* with his parents. In Bombay, he had played in his school's first XI, which means that his cricket reached high standard.

He went to an *ulpan* at kibbutz Ha'Ogen. As a result, he was able to play cricket for neighbouring "Anglo-Saxon" kibbutz Yisre'el, which has one of the finest cricket and rugby fields in the country, one sufficiently attractive to have received a compliment from the England international Basil d'Oliviera, who said that in some ways it reminded him of his home ground at Worcester.

When Hillel finished his ulpan, he joined his parents in Ashdod, a city with a large number of Indian settlers, who are among the keenest cricketers in the country. For the last four years he has captained Ashdod A. He has no easy task for so young a player, as his side includes several veteran Israeli internationals. "I take their advice, and then I give them appropriate orders," Hillel says simply, thus emulating the methods of Percy Chapman, who, as a young man, was suddenly called on to captain an English side that included such gods as Jack Hobbs and Wilfred Rhodes.

Hillel has just finished his military service as a paratrooper, and intends to enter the regular army. "In India," he says, "they are mad about cricket and field hockey. I started playing as a little boy; in fact, I can't remember when I first handled a bat and ball. Of course, I'll go on playing even when I'm in the regular army."

The vice-captain of the side, Dov Moss, 28, was born in Johannesburg, and came to Israel in 1973, at the age 19. Before he left South Africa, he played in the Transvaal Premier Division, in which the standard of cricket is very good. Alan Moss, aged 17 — no relation to Dov — is described by his captain rather patronisingly as "the baby of the side. He came to Israel from Johannesburg in 1975. "He is a fielder in the covers of world class," Hillel says.



Hillel Awasker

The teams they will play are Zimbabwe, the U.S.A., Canada, Hong Kong, Holland, Papua New Guinea and Gibraltar. This is Israel's second venture in search of the mini-Cup: a previous side went to England in 1979, and did surprisingly well. They scored a curious victory over Sri Lanka, the eventual winners of the cup, now accepted as being eligible for the major Test matches against the great giants of cricket — England, Australia, the West Indies, India, Pakistan, and New Zealand. Israel won the match because Sri Lanka defaulted for political reasons.

Unless Israel win their group, they will not pick up such easy points this time: possible defaulters against them for political causes, Bangladesh and Malaysia have been put in a different group. Argentina have been "invited" by England not to come, because of the war in the Falkland Islands.

All their opponents, Hillel concedes, are on paper much stronger than the Israeli contingent: they have the advantage of having played all their cricket on perfect fields with turf wickets. Israelis play on any corner of a field that they can obtain by wheedling local or other authorities. Only Yizre'el have a perfect field. Jerusalem are lucky enough to have the Hebrew University's stadium for their use. Most of the other teams have to battle for a corner of a place in the sun.

Indian immigrants settled for the most part in Ashdod, Dimona, Beersheba, Ramle, Lod, Yavne and Petah Tikva. They are found in these towns in such numbers that it might be thought that they would have sufficient political clout to get fields with good wickets allocated to them. Unfortunately, they are not accustomed to using their voting rights to extract benefits: in Ashdod, for instance, a ground allocated to them has been taken away by the Ashdod Municipality for a car park for the town cemetery. An incident, during which ultra-Orthodox zealots invaded the pitch and stopped a Saturday game, was an isolated occurrence, and according to Hillel, was not the cause of the loss of an alternative field.

Ethnic origins express themselves in sartorial attitudes. In India, cricket may sometimes become very violent, crowds tending to riot on the slightest excuse, but they are sticklers for correct dress and cricket etiquette. One famous story about a riot records that the great Denis Compton was batting when a riot erupted. The leading rioter said to him courteously, "You be very good batsman, Mr. Compton, but better you go home now." Keith Miller, the Australian fast bowler, would recall this story aloud before hurling a vicious bouncer at Compton's head.

As a result of their background, the Indian Israelis always insist on players being dressed in impeccable long white flannels, even at practices, and, despite the forlorn character of Israeli fields, behaviour must conform to the standards of Indian schools. South Africans are far more cavalier about clothes and conduct, and the English tend to have no rules at all.



Alan Moss

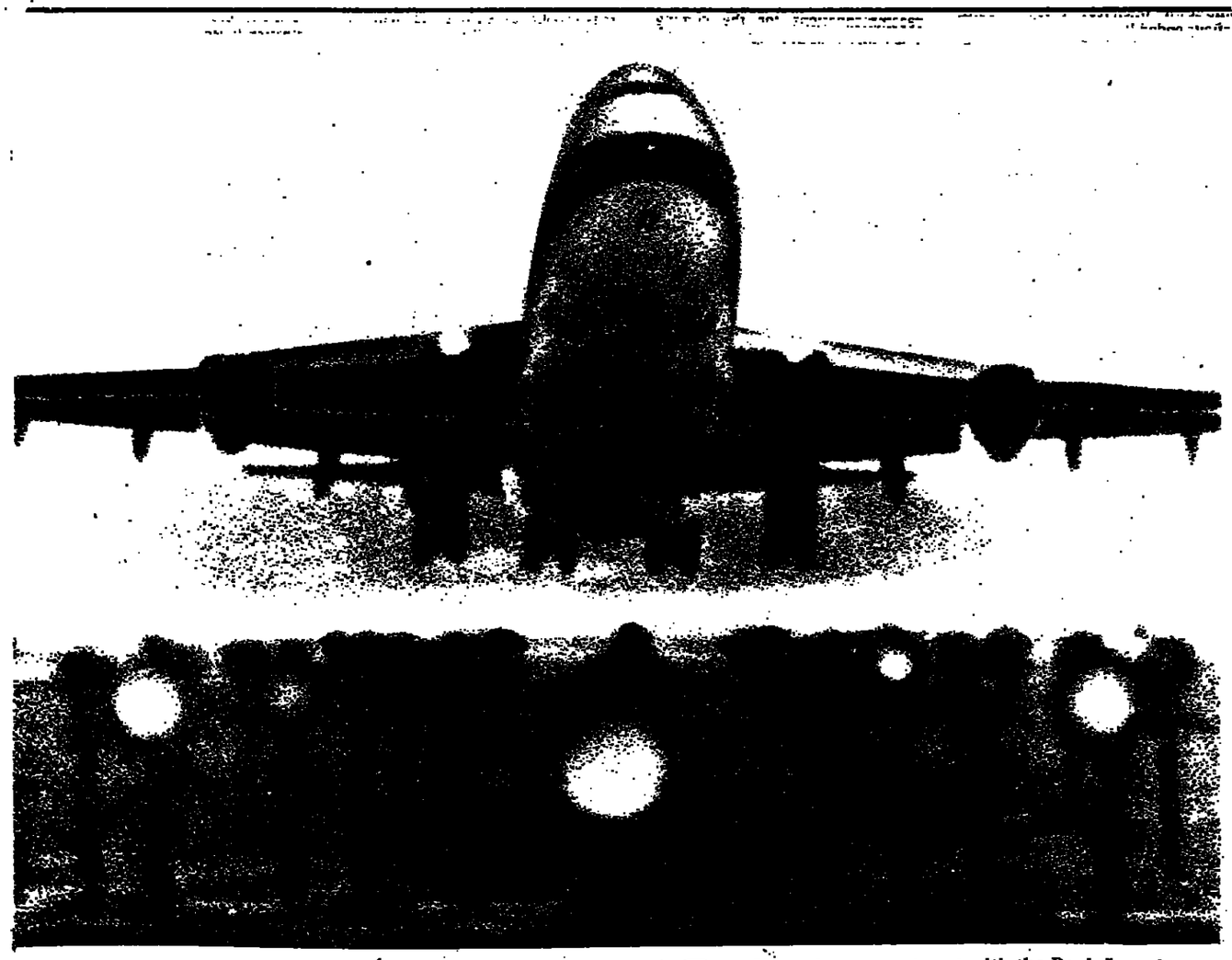
Basil d'Oliviera was a coloured cricketer, playing in his youth under apartheid conditions, before the revolution in South African cricket took place and cricket was opened to all South Africans. He left to try his luck in England, with results worthy of Dick Whittington: he not only became one of England's leading internationals in the 'fifties and 'sixties, he was awarded an O.B.E. by the Queen. When he saw the conditions under which the Israelis played, he remarked, "It reminds me of how we played when I was a boy living on the Cape flats."

Thus the transition to the perfect playing-fields of England for the *mini*-Cup may be difficult for the Israeli team, although some of the players have played in England before. Hillel himself, and other young members of the team, went to England last year for special coaching at Lord's by Don Wilson: this was arranged by the Israel Cricket Supporters Association of Great Britain.

Despite all the difficulties, Hillel is confident that his side will give a good account of themselves. "We've got a good blend of experience and youth — the oldest players toured Britain in 1970, Alan Moss, the youngest is still in school. One great asset we have is that we have several superb fielders: if we hold our catches, it may make all the difference.

"We've got several good fast bowlers: Eddie Worrell, a West Indian, a relation of the famous Sir Frank Worrell; Nissim Reuben, Stanley Perlman, the Hebrew University captain. Then we have several left-hand spin bowlers: Reuben Reuben — Nissim's younger brother — and Michael Jacobs and myself. We've got Alan Moss bowling medium pace seamers and Leslie Susser mixing off-breaks and leg-cutters. It's a very good bowling side. Our batting relies on kibbutzniks Dov Moss and Howard Horowitz, as openers; Michael Schwartz; and our two wicketkeeper-batsmen, Yoram Kessel and Isaac Solomon. Our manager is Gabriel Kandli.

"I think we'll give a good account of ourselves, if we have a little bit of luck."



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Peak To Peak

For the Allies, Versailles Is Necessary, Bonn Crucial

By JOHN VINOCUR



United Press International/Agence France Presse

From left, British Prime Minister Margaret Thatcher, President Reagan, French President François Mitterrand, West German Chancellor Helmut Schmidt at Versailles.

BONN

CHANCELLOR Helmut Schmidt, according to key aides, regards the NATO summit this week as *more important than the economic discussions* in Versailles this weekend — and not just because the NATO talks happen to be taking place in Bonn.

The West German leader is said to feel that because of circumstances outside their control, the economic meeting of the leaders of seven big industrial democracies and the Common Market can produce relatively little in concrete terms. The gathering of leaders of the North Atlantic Treaty Organization, on the other hand, may serve as a historic marker *not only for Mr. Schmidt, nearing* a decade as Chancellor, but for President Reagan's tenure as head of the Western alliance.

The meeting will offer important signs of NATO unity and perhaps even of additional strength. Although some West German Social Democrats, including party chairman Willy Brandt lobbied against Spanish admission as a "destabilizing" element in East-West relations, Spain *will be in Bonn this week, marking its entry into the alliance as its 16th member.* France, in the person of President François Mitterrand, will be at the opening dinner and also sign a general declaration — acts symbolizing greater French involvement in the Atlantic Alliance than at any time since de Gaulle withdrew from NATO's joint military command. Deeply concerned about an imbalance of forces in Europe that they feel increasingly favors the Soviet Union, the French have even offered Paris as *the site for the alliance's meeting in the spring of 1983.*

For other Europeans, primarily West Germans but also many people in Holland, Denmark and Greece, the Bonn meeting will mark what a German magazine called "the bringing to reason of Ronald Reagan." Regardless of what the final communiqués say about the alliance's position toward the Soviet Union or how détente may be qualified as an alliance goal (the Reagan Administration apparently will accept the word "détente" if it is modified by the adjective "real" or "genuine"), Mr. Reagan's recent arms control proposals and his toned-down rhetoric toward Moscow are being interpreted here as a return by the United States to the attitudes of the middle 70's.

The West German weekly Die Zeit has already announced that the Americans have just about given up on "linkage," which in the German context means that West European relations with the Soviet Union can go forward *again regardless of what the Russians do elsewhere in the* world. After the Bonn meeting, and taking into consideration the new range of United States-Soviet consultations, "NATO is now placed back where it was six years ago before the erratic changes in course of American policy under Jimmy Carter and Ronald Reagan," Die Zeit said.

Egon Bahr, the détente architect and disarmament spokesman of the West German Social Democratic Party who likes to refer to the United States as *"the former occupation power,"* was quoted last week as saying that "Reagan now has the wind at his back." Anyone familiar with the diction of deflection that governs political discourse in Bonn might take the remark to mean that Mr. Bahr felt the breeze was actually swelling his own sails.

The German emphasis on Bonn means trying to do nothing at Versailles to spoil the projected congeniality of the NATO meeting. At yesterday's opening session, Mr. Schmidt said high interest rates were largely responsible for the lingering world recession, but did not single out the United States for blame.

Other issues such as North-South economic integration have less potential for controversy because of their lack of specificity. The Germans *had strategies for dealing with* more tangible issues — export credits, transfer of technology, lowering of trade barriers and recommendations for the coming year. Mr. Schmidt agrees with the rest of the participants in Versailles on reducing officially assisted credit arrangements that sometimes result *in quasi-subsidies for the Soviet* Union. (The conference appeared likely to limit future export credits to Moscow but not to the extent the Reagan Administration had wanted.) The West Germans, although they protect their industries doing business with Moscow with export credit guarantees — the Government would make good on bad debts — can argue that they are not providing direct loan assistance. The Reagan Administration's concern about the availability of advanced technology to the Soviet Union will not result in a "big discussion," Mr. Schmidt's aides said, and the issue will be "farmed out for research and kept out of operative strategy." There will be a clear plea for free trade, but that is no novelty at an economic summit; the *Japanese continue to consider liberalizing their import* conditions without fully meeting European and American aspirations.

The Chancellor even had a rationale for omitting his standard recommendations on the American economy: The budget debate in Congress is not resolved.

The Bonn meeting will be tougher, more treacherous, the Germans feel. Mr. Schmidt and his Foreign Minister, Hans-Dietrich Genscher, succeeded in having it transferred *from its scheduled location of Brussels to the West* German capital to show, according to another aide, "how absurd all this talk about the Germans drifting away is."

The meeting nevertheless is a domestic political gamble, coming at a time when the Social Democratic-Free Democratic coalition appears weaker than at any point in its 13 years in power. Besides the Government's philosophical differences with the Reagan Administration over the nature of the conflict with the Soviet Union, there is the prospect that much of the Chancellor's public embrace of the alliance could be overshadowed by street demonstrations while the NATO leaders are in Bonn.

A rally Thursday referred to by much of the West German press as anti-Reagan and anti-NATO, could draw as many as 200,000 people. Last October, when there was a major peace demonstration involving some of the same groups, Mr. Schmidt suggested that they had been manipulated by Communists and said, "It would have been better if they had been able to get rid of them and been free not only to turn on the United States and the Government here, but also on the Soviet Union, which created the basis for the reaction by the Western alliance."

This time, the frontal approach has been abandoned and Mr. Schmidt is dealing with the demonstrations by paraphrasing Voltaire: I may not agree with what you say, but I defend to the death your right to do it. For domestic political reasons, the Chancellor has come to refer to the planned rally as a "peace demonstration." He termed superfluous pro-America rallies by the opposition Christian Democrats yesterday in Bonn and Munich. Tens of thousands of people turned out to show that the "silent majority" *in Germany really supports the United States* and a strong defense. In a further display of diplomatic understatement, Mr. Schmidt described a bomb blast at an American installation in West Germany early last week as "no grounds for upset." He added the observation that politicians were in danger everywhere, "among those places the United States."



Reagan's two-track arms strategy 3

More Splendor Than Comfort

AS they gathered for their eighth annual economic meeting this weekend, the leaders of the major industrial democracies could perhaps be forgiven if the sumptuousness of the setting — Louis XIV's Palace of Versailles — made them momentarily forget that the world was facing its most serious economic crisis *since the Depression. President* François Mitterrand, proving that socialism, at least the French variety, need not be drab, welcomed the leaders of the United States, Britain, West Germany, Canada, Japan and Italy as they arrived by limousine at the rose-pink columned Grand Trianon Palace.

Political issues (the situation in Poland) intruded at last year's summit in Ottawa. This time, the Falklands provided some initial discomfort for Britain and the United States. Although the British said none of the other nations had urged them to refrain from making a *final assault on Stanley, Japan voted in favor* of an immediate cease-fire resolution in the United Nations Security Council Friday and France abstained. The United States chief delegate, Jeane J. Kirkpatrick, joined Britain in a veto, but said later that she would have abstained had new instructions arrived from Paris in time.

The economic portion of the two-day meeting was expected to be smoother; even some of the differences seemed choreographed. Thus, Mr. Reagan, while agreeing with Mr. Mitterrand that development of new technology was crucial to ending the recession, stressed his belief that private enterprise could do the job more efficiently than anything subsidized by the state. Similarly, the United States did not agree *that more government intervention* would stem world currency fluctations although it was expected to take part in a "study" of the effect of central bank intervention on long-range exchange rates.

As expected, high interest rates were blamed by the Europeans for keeping their countries in deep recession. Although they sought not to hold the United States solely responsible, Mr. Reagan reacted to the implied criticism by calling the continued high rates "mostly psychological" and predicting they would come down "when fear of large Federal budget deficits ended."

The European trip is Mr. Reagan's first extensive overseas journey as President and Administration officials were clearly hoping for a bravura performance. After Versailles, he is to go to Italy to see the Pope, to Britain to meet the Queen and address Parliament and to Germany to attend a meeting of leaders of the North Atlantic Treaty Organization and visit the wall dividing East and West Berlin.

British Troops Poised for Final Assault on Argentine Garrison at Stanley

It Comes Down to Old-Fashioned Slogging

By DREW MIDDLETON

LONDON — The Falkland Islands campaign opened with a display of esoteric missiles that might almost have been borrowed from "Star Wars." But last week, the emphasis shifted to marching infantry and field guns, an atmosphere more familiar to readers of Stephen Crane's American civil war novel, "The Red Badge of Courage."

Two weeks of ground, air and sea battle have transformed the tactical situation. A British task force, harassed by Argentine air power and acutely aware of its own shortcomings in the air, had carried out an amphibious landing, overwhelmed Argentine forces at Goose Green and Darwin and then marched 40 miles across peat bogs and streams to beseige the last Argentine garrison on East Falkland Island. The 7,000 Argentines at Stanley were being pounded day and night by guns of the fleet's destroyers and frigates and British field guns on the surrounding hills. The sea, the only escape route, had been closed by British ships. Resupply by air was made hazardous by British missiles and Harrier fighter bombers.

The Argentine garrison now penned into a horseshoe-shaped position around Port Stanley includes about 1,100 marines and an army infantry battalion. These elements, regarded by Britain as the best the enemy has, have not yet been given a chance to show what they can do.

However, the importance of Argentine garrison strengths and weaknesses *could diminish sharply if re*ports that Buenos Aires is receiving Gabriel and Exocet missiles and additional Mirage and Dagger fighter bombers prove true. Such equipment could allow Argentina to mount stepped-up strikes against the fleet, changing the nature and duration of the conflict.

The credit in last week's phase belonged to the infantry. Two battalions of paratroops and three Royal Marine commando units marched across the island carrying heavy packs. They drove Argentine defenders off Mt. Kent and the Two Sisters hills to set up forward observation posts for the artillery.

The Argentines' choice, a senior British officer said, was to endure constant shelling and bombing or surrender. But the Argentine commander, Gen. Mario Benjamin Menéndez, urged his men to "fight to the last man." Maj. Gen. Jeremy Moore, Britain's ground forces commander, had a full brigade of about 3,500 troops still uncommitted and ready to take on the Argentine marines if they sallied out against British positions in the hills. General Menéndez's beleaguered forces, which were receiving little or no support from the outnumbered Argentine navy and weakened air force, were also up against a fresh squadron of 15 Royal Air Force Harriers dispatched by London to make up for the loss of eight Harriers.

*Deception, leadership, stamina and the professional*ism of the troops have contributed most importantly to British successes, in the view of neutral military attachés in London and intelligence analysts at the North Atlantic Treaty Organization in Brussels.

Rear Adm. John Woodward, the task force commander, used deception in landing first in the Port San Carlos area. Analysts believe Buenos Aires had expected a landing on the island's east coast, 50 miles farther from the Argentine mainland and consequently less vulnerable to bombing by land-based planes. The anchorage *was* bombed heavily at first, but the attacks gradually lost what a British airman called "their vigor and valor" as the Harriers and Rapier antiaircraft missiles played their role. Ashore, the British captured more than 4,000 men plus guns, tanks and armored cars.

Leadership was a key factor in the next phase, neutral observers said. A single battalion of the Parachute *Regiment, the Second, pushed across the isthmus be*tween Grantham Sound and Choiseul Sound to attack and defeat numerically superior Argentine forces defending Goose Green and Darwin. Argentine losses were heavy. British losses were far less, although they included the British battalion commander and his adjutant.

Tactically, the victory added to the attackers' advantage. *They now could use the Goose Green air strip for* Harriers from the fleet. On the drive across the island, their right flank would no longer be vulnerable. They also eliminated the danger that planes based at Goose Green would drop some of the many napalm bombs found there.

Stamina counted in the next phase. Marines and paratroops, after more than six weeks aboard transports — an experience analysts had feared would reduce their effectiveness — were launched across difficult terrain in snow, *rain and freezing cold. The lucky got a single hot meal a* day. Helicopter crews flying in dangerous weather carried forward 105-millimeter guns. Engineers improvised landing pads and helped wrestle the guns into position.

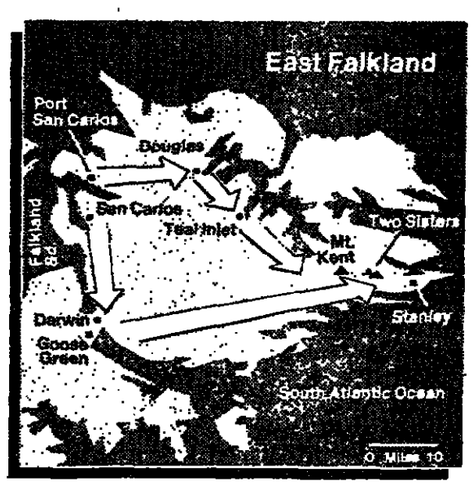
Along the way, the troops proved their professionalism. For example, a marine unit stalked and eliminated an Argentine raiding party. The Argentines had taken refuge in a farmhouse which, neutral observers said, professionals would not have done. Inside, they were vulnerable *to British antitank grenades. They surrendered.*

Surrenders by Argentine forces on South Georgia Island and at Goose Green and Darwin prompted the British, once they occupied the high ground around Stanley, to appeal to the Argentines to surrender individually or by units. They dropped leaflets asserting that the defenders' cause was lost. Commanders were told to send forward Spanish speakers under white flags to propose surrender.

The appeals were intended to save lives on both sides. *Yesterday, the prospect of heavy British losses appeared* to be receding. Accelerated shelling was to be directed at the Argentine garrison in its fox holes and at its ammunition, fuel and food depots. British officers said this would be the final phase of the campaign. (Argentine spokesmen said their forces had "intensely bombed" the massed British troops, who were "not in a condition to attack.")

Prime Minister Margaret Thatcher met with President Reagan in Versailles. The United States had urged Mrs. Thatcher to be "magnanimous," but after Argentina refused to back down, Mr. Reagan joined Mrs. Thatcher in concluding, as Secretary of State Alexander M. Haig Jr. reported, "the current situation is one which is best assessed by commanders on the ground."

If nothing else, Argentina hopes to win lasting unity 2



Land-war summary

May 21: British troops establish beachhead at Port San Carlos; 5 ships supporting them are damaged and frigate Ardent later sinks. Britain claims 16 Argentine planes lost, a toll that will mount in coming days and reduce intensity of *Argentine air operations.*

May 22-23: British reinforcements bring strength ashore to 5,000 and units advance toward Goose Green. Frigate Antelope, bombed and strafed, goes down on May 24.

May 25: Argentine jets mortally damage destroyer Coventry and a container ship in Falkland Sound.

May 28: British overrun Darwin and Goose Green; 1,400 Argentines reported taken prisoner and 250 killed, as against 16 British dead.

May 29-31 British troops advancing toward *Stanley on 2 fronts cap*ture Douglas and Teal Inlet, battle rgentine forces on hills west of capital; 3,000 more British troops reportedly disembark from liner QE 2.

June 1-2: British oust Argentine soldiers on Mount Kent and Two Sisters Ridge, moving to within 7 miles of Stanley.

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The World

In Summary



Armed man leads children to safety in Beirut during Israeli bombing.

to the Agency for National Security Planning, the renamed Korean Central Intelligence Agency. Mr. Lho replaced Yoo Hak Sung, who was dismissed as director for failing to look into the dealings of his former deputy, a leading figure in the pyramid of debt and misdirected I.O.U.'s that has forced two leading companies into bankruptcy.

President Chun's version of "refreshing" evidently did not include room for political dissent. Kim Young Sam, former leader of a now-banned parliamentary opposition party, predicted in an interview with The New York Times that as a result of the loan scandal, Mr. Chun "could not last longer than this autumn." He also called for release of 2,000 political prisoners, workers and students, and restoration of civil rights for himself and 560 other politicians banned from public life by Mr. Chun. Instead, the authorities placed Mr. Kim under house arrest.

London Attack Triggers Raids Against P.L.O.

Israel has always retaliated against terrorism by hitting back many times harder than it has been hit. So it did again last week after an Arab gunman shot the Israeli Ambassador to London. As the diplomat, Shlomo Argov, lay in critical condition following brain surgery, Israeli fighter-bombers swept over Palestinian enclaves in Lebanon Friday and yesterday, killing scores of people.

Ambassador Argov was shot at close range as he left the Dorchester, a fashionable London hotel. His Scotland Yard bodyguard shot the assailant and police arrested three other suspects. The four carried passports of Jordan, Syria and Iraq. Scotland Yard then carried out raids and claimed to have "frustrated a series of terrorist outrages."

The Palestine Liberation Organization denied responsibility for the London shooting, but a military spokesman in Jerusalem said the air strikes in Lebanon were in retaliation for the assault on the ambassador and "other repeated breaches of the cease-fire agreement" in southern Lebanon. Israel contends the Palestinians have exploited the cease-fire that was arranged 10 months ago by President Reagan's envoy, Philip C. Habib, to build up their strength in southern Lebanon. Mr. Habib was scheduled to return to the region this week to try to shore up the fragile truce.

Israel's targets included weapons stocked beneath the bleachers of a Beirut soccer stadium that served as a training school for recruits to Yasir Arafat's Al Fatah — and as home to some of the guerrillas' families. Two Syrians manning checkpoints and antiaircraft positions near the stadium were among the more than 50 people killed in Friday's raids.

Afterwards, the P.L.O. opened rocket and artillery fire on the Galilee panhandle in northern Israel and on the Israel-backed Christian militia in southern Lebanon. One Israeli was killed and a prolonged artillery duel across the border ensued.

Last week's Israeli attack in Lebanon was the third since April 21. The first followed the assassination of an Israeli diplomat in Paris and the second was launched after an Israeli soldier died when his vehicle hit a mine in southern Lebanon.

Meanwhile, President Hosni Mubarak of Egypt rejected an informal American suggestion for a meeting in Washington this month with President Reagan and Israeli Prime Minister Menachem Begin to give new impetus to stalled negotiations on Palestinian autonomy in the West Bank and Gaza. Instead, Egypt is sending Foreign Minister Kamal Hassan Ali to the United States.

Billion-Dollar Housecleaning

Last month's $988 million financial scandal cast a wide smirch in South Korea, and President Chun Doo Hwan's political purification drive has proved to be no overnight job. Mr. Chun last week continued his effort "to refresh the social atmosphere," as Seoul newspapers put it, by adding a 12th new face to the 22-man Cabinet (11 members were dismissed last month).

Lee Bum Suk, a former diplomat and head of Mr. Chun's presidential staff, became Foreign Minister. He replaced Lho Shin Yong, who moved

China Trade in Nuclear Power?

China's priority on security from external threats led it to develop nuclear weapons in the 1960's, but not reactors for the peaceful use of atomic power. Its priority now on internal economic development has obliged it to turn to outsiders for reactor technology.

Deputy Secretary of State Walter J. Stoessel Jr. disclosed last week that the United States had been "conducting discussions with the Chinese on the possibility of an agreement for peaceful nuclear cooperation, which would enable us to compete commercially in the development of China's nuclear power program."

American companies foresee millions of dollars in exports for such projects under consideration in Peking as two 900-megawatt pressurized water reactors in Guangdong Province, bordering Hong Kong. Before the bidding can start, however, the United States insists that China agree to safeguards against the diversion of nuclear materials to weapons. Peking has refused to sign the Nuclear Non-Proliferation Treaty, which it regards as a strategem by more developed powers to maintain a nuclear monopoly.

Mr. Stoessel, addressing the National Council on United States-China Trade, declared that a strong relationship between the two countries was "one of the highest goals of President Reagan's foreign policy." Differences over Taiwan, he asserted, could be overcome by mutual "statesmanship, vision and good will."

Peking's objections to continued American arms sales to Taiwan have become increasingly vehement. "They took my hide off" over the issue, said Senator Howard H. Baker Jr., Republican of Tennessee, after three days of talks in Peking last week.

But the Senate majority leader added that the Chinese had invited President Reagan and Senator Barry Goldwater to Peking.

Senator Goldwater, Republican of Arizona, was in Taiwan last weekend and told a news conference, "There has been no indication... that President Reagan has ever thought of stopping arms sales to Taiwan."

A Mixed Message For Coup Plotters

Spain officially joined NATO last week, a membership Spanish democrats hope will give their armed forces something to do besides fret at the constraints of civilian government. Supporters of democracy had also hoped that the court martial of officers charged in an attempted coup last year would be a deterrent to further plots. But sentences handed down last week at the end of the 15-week trial provided an ambiguous object lesson.

The two ringleaders received harsh sentences. Lieut. Col. Antonio Tejero Molina, who invaded Parliament with a band of Civil Guards in February 1981, and Lieut. Gen. Jaime Milans del Bosch, who declared martial law in Valencia after Parliament was seized, were sentenced to 30 years in prison, the maximum allowed by Spanish law.

But the other major defendant, Gen. Alfonso Armada Comyn, former tutor and adviser to King Juan Carlos, received a six-year sentence. Nineteen other officers were sentenced to six years or less and 10 officers were found innocent.

Prime Minister Leopoldo Calvo Sotelo and other members of his center-right Government were concerned that the absolution of junior officers would encourage others to support a coup attempt and argue later that they were only following orders. The Government said it would appeal the acquittals and the 20 relatively light sentences in civilian courts. The Prime Minister also rejected the military court's recommendation that the two 30-year sentences be committed to 20 years.

Milt Freudenheim and Barbara Slavin

After the War, Intriguing Political Possibilities

If Nothing Else, Argentines Hope to Win Lasting Unity

By WARREN HOGE

BUENOS AIRES — A bumper sticker recently spotted here proclaimed "I Love Argentina" — in letters modest enough to permit space for an accompanying advertisement for a brand of home heater. "That's the way patriotism always was before," said a Buenos Aires businessman. "It was individualistic with no common identity. Now, with the Malvinas, there is something more than just the self."

This freshly found feeling of national unity is being presented by Argentines as the victory they have extracted from the defeat that appears likely and imminent for their forces in the Falkland Islands, known here as the Malvinas.

The word "defeat" is preceded these days with words like "honorable" or "military." The stress is on what Argentina feels it has won — a feeling of consensus in a country long known for regional rivalries, class distinctions and intense political divisions. "Whatever the negative consequences that the war itself produces, it is right to say that we are a victorious country," said Amadeo Frúgoli, the Minister of Defense.

Brig. Gen. Basilio Lami Dozo, a member of the three-man junta and commander of the air force, which has suffered heavy losses in the conflict with Britain, contended, "We have a different Argentina today, an Argentina that is considered in the international context and known in various international forums where it has been conducting itself as a country that has faith in its destiny and is capable of dealing with other countries that years ago would have never imagined such a possibility."

Verbal backing for Argentina has indeed come from Latin America and elsewhere in the third world. Fidel Castro, hosting a meeting in Havana of foreign ministers from countries professing nonalignment, told reporters, "Even if the United Kingdom recovers the islands, they have not won the battle of the Malvinas. Support for Argentina grows by the day, while the ranks of the allies are weakening." In a further show of solidarity, Cuba and Argentina signed a $100 million trade agreement. However, Argentine Foreign Minister Nicanor Costa Méndez said he had not discussed Cuba's offer of military aid and a spokesman in Buenos Aires denied reports that Soviet technicians were upgrading Argentina's radar system.

Far away from this cosmopolitan capital, the war comes to the Argentine public in terse communiqués and accounts of heroism in a committed press that reports the conflicts as one between "patriotic" forces and "colonial" ones. In the absence of any graphic images of the horror of the battles, tales of glory and sentiments of destiny have taken hold. The war has given rise to fulsome statement, something the Argentines have never been bad at. "This is one of those times in history when a bell peals loudly to say that one era is over and another is beginning," said Félix Luna, editor of a historical magazine.

Winning a Role In Government

An important question is whether Argentines can maintain the sense of common purpose and apply it after the war to persistent internal problems. "I have heard that countries become great and strong after a conflict, and I also remember having heard in private conversations with many Argentines that what this country needed was a war," General Lami Dozo said. "Well, let's see if all those people who told me those things are now ready to work to build a true Argentina."

The political parties are letting it be known that they expect participation in this new Argentina in return for backing the armed forces. Oscar Alende, president of the socialist Intransigen Party, said people who were willing to give their lives for their country had earned the right to share in running it. Deolindo Bittel, the principal Peronist leader, recalled that people for whom the armed forces had only had "beatings and bullets" had still given them "massive support." He said his members were looking for the military "to act with a similar generosity and nobility."

One indication of how much the armed forces will continue courting civilian leaders comes a month from now, when the junta must decree new wage minimums. Wages have been frozen since December, while prices have risen 32 percent. The political parties and the unions both lost power when the military seized the Government from Isabel Martinez de Perón in 1976, but the junta moved last week to try to assure both sectors that their marginalization could be ending.

A new "statute" setting rules for party reorganization was officially said to be in the "final stages" of preparation, and one of the country's largest labor organizations, the 25,000-member postal and telegraph workers union of Bueno Aires, was released from the control of a military "intervenor" and allowed to run its own benefits programs again. The junta said it planned the same action with 20 other unions.

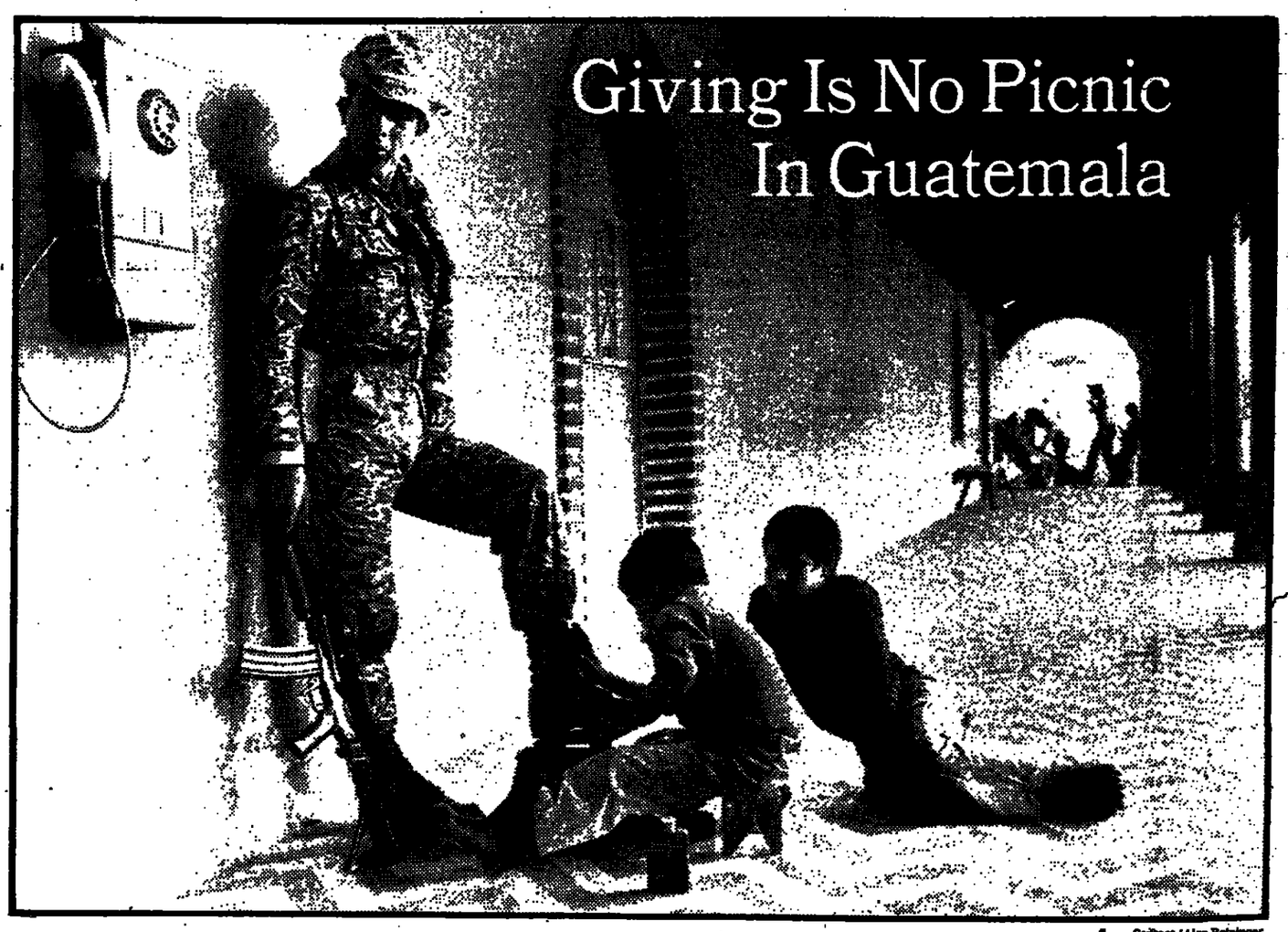
A liberalization program promising a gradual return to civilian rule had already been under way, and Government spokesmen say the war has accelerated the pace. It is too soon to know if that is true, and there is a countervailing suspicion that the Government, headed by Lieut. Gen. Leopoldo Galtieri, may instead be thinking of mobilizing the current backing behind its own permanence in power. Such a move could bring a quick end to national unity and provoke a coup from factions of the armed forces that may hold the general accountable for the relatively poor performance of the army during the war.

The Galtieri regime was having no success against the recession that brought protestors into the streets of Buenos Aires just days before the Falkland crisis began, and the conditions behind the social unrest will only become aggravated by the costs of the war.

President Galtieri emerged from a meeting with his economic team last week to say that "the whole context of internal and international politics in all sectors must have a special reformulation." One expected change is that Argentina will abandon its free market experiment and return to a more protected economy, a reversion that will almost surely send the Finance Minister, Roberto Alemann, packing. Another postwar certainty is a campaign to blame much of Argentina's failure on the United States. "Argentina is ending one war but beginning another," said a Latin American diplomat. "Now they have to fight against the defeat. They are going to try to win the loss."

As in Salvador, Human Rights and Elections Are Key Concerns of U.S.

Giving Is No Picnic In Guatemala



© Coltact / Alon Reininger

Government soldier getting his boots shined in the town of Chichicastenango, an Indian market center in west-central Guatemala.

By RAYMOND BONNER

GUATEMALA CITY — The new military Government of Guatemala is causing an unusual kind of headache for Washington. The United States Agency for International Development and other American agencies "are scrambling to find money for them," an official said, "but these guys are saying they don't want it." The Reagan Administration wants to send helicopters, $2.5 million in military equipment, $300,000 for military training and at least $50 million to assist Guatemala's crippled economy.

For economic and political reasons, in the Reagan Administration's perspective, Guatemala should be a more important candidate for aid than neighboring El Salvador, which also has been upsetting its friends in Washington. Guatemala is Central America's most populous and wealthiest country. It has oil. Above all, for an Administration concerned about leftist inroads close to home, Guatemala's revolutionaries, some reportedly trained in Cuba, appear to be better organized and militarily stronger than their counterparts to the south. Little is known about their leaders but it is widely assumed that they hope to implant a socialist and possibly a Marxist government.

Gen. Efrain Ríos Montt, President since the three-man military junta took over in March, has nevertheless insisted he does not need military or economic help from Washington. Another junta member, Col. Francisco Luis Gordillo Martinez, said that "if the aid from the United States is conditioned, it will be rejected." He was reacting to statements by Democratic congressmen indicating that, as in El Salvador, aid might be linked to human rights improvements.

Congressional opponents of the Administration's Guatemalan aid request are watching rights developments here closely. Violence in the cities has declined noticeably since the coup, as has repression of the Roman Catholic church, the university and on radio and newspapers.

But Indian peasants — who account for two-thirds of the 7.2 million people — are still being killed. Recently 21 peasants were found in a mass grave, including nine children aged seven months to 13 years. Victims in another village included 26 children, three men and 14 women, four of them pregnant. The publisher of the conservative newspaper, El Gráfico, called the mass killings of Indians "genocide" and said, "we really are not worthy of any aid while this continues."

Also complicating aid prospects is the Guatemalan junta's reluctance to commit itself to elections. Return to democracy has been the linchpin of American policy in El Salvador, and the Administration has repeatedly criticized Nicaragua's Sandinists for delaying voting. But, despite pressure from the United States and local political parties, General Ríos Montt has rejected demands to set a date for elections.

Parallels to El Salvador

Critics of deepening United States involvement in El Salvador have asked whether it was not turning into another Vietnam. Now some are asking if Guatemala will become "another El Salvador."

In both countries, moderate officers deposed a repressive military regime. Prior to both coups, the United States was supplying no military and only minimal economic assistance. Then, in El Salvador, the United States resumed aid, arguing that this would encourage the moderates. Instead, the Government moved to the right, American policy followed and aid was increased until El Salvador, about the size of the Falklands but with 4.8 million people, is now the fourth largest American aid recipient.

But much of what Washington hoped to accomplish has not come to pass. Political violence is still unacceptably high — some 250 people are killed each week in El Salvador, the State Department said (500 a week, according to leftists). Much of the land redistribution program for impoverished peasants has been stopped. Last week, the chairman of the House Foreign Affairs Committee, Representative Clement Zablocki, said United States aid should be cut off if land reform were halted in El Salvador. In a similar move, the Senate Foreign Relations Committee has voted to cut military aid by $100 million if the Salvadoran Government "modifies, alters, suspends, or terminates any provisions of the land reform programs."

In El Salvador, American policy makers pinned their policy on José Napoleón Duarte. In Guatemala, some people are calling Gen. Ríos Montt "Duarte with a pistol." General Ríos Montt said in a recent interview that he subscribed to the principles of "communitarianism," a doctrine that emphasizes cooperatives and the state's role in achieving equitable distribution of wealth. He has read Mr. Duarte's book on the subject, he said. But many Guatemalans and foreign diplomats have questioned whether General Ríos Montt would be willing, or any more able than Mr. Duarte was, to control the military hard-liners and end the violence.

Unlike the former Salvadoran junta, the Guatemalan rulers have announced no new social reforms or land distribution programs to aid the Indians, who are as poor as the poorest in Haiti or Somalia. Critics say 1 percent of the population controls 60 percent of the arable land. Washington should withhold military aid and offer "a little" economic assistance in exchange for promises to establish democracy, suggests Vinicio Cerezo, the leader of Guatemala's Christian Democrats. "If the United States gives them all the aid and support," he adds, "they are not going to return to democracy."

American diplomats admit to another difficulty in planning United States aid — the question of whether General Ríos Montt and other relatively moderate leaders would be around to spend it. Guatemalan politicians and foreign diplomats say there are at least four groups plotting coups. If they succeed, General Ríos Montt's successors could be even less acceptable to Congress and the North American public than he is.

Stick-and-Carrot Approach to Weapons Limitation Last Week Put Reagan on His Predecessors' Course

As the Nation Is Rearming, It Can't Hurt to Be Disarming

By BERNARD GWERTZMAN

WASHINGTON

ON his first major overseas trip as President, Ronald Reagan is trying to convince Europeans that he has developed a solid grasp on the crucial issues of war and peace and a vision for the future that they can accept. In particular, the leader of the Western alliance must persuade skeptics that his recent statements on arms control represent a long-term policy, not an expedient to take the steam out of the disarmament and nuclear freeze movements that have been expanding around the world.

Mr. Reagan was given high points in the West for two speeches — last month in Eureka, Ill., and last week at Arlington National Cemetery — that called for firmness in dealing with the Soviet Union but also held out the possibility of reducing Soviet and American nuclear arsenals and of cooperation with the next generation of Soviet leaders if they show restraint.

As a result of intensive diplomatic activity in advance of Mr. Reagan's trip, the President announced at Arlington on Memorial Day that the United States and Soviet Union would resume negotiations on reducing strategic arms on June 29 in Geneva. Secretary of State Alexander M. Haig Jr. will meet with Soviet Foreign Minister Andrei A. Gromyko in New York in about two weeks and they may begin discussions on a meeting between Mr. Reagan and Leonid I. Brezhnev this fall.

"Both the current and the new Soviet leadership should realize aggressive policies will meet a firm Western response," Mr. Reagan told the graduating class at his alma mater, Eureka College. "On the other hand, a Soviet leadership devoted to improving its people's lives, rather than expanding its armed conquests, will find a sympathetic partner in the West. The West will respond with expanded trade and other forms of cooperation."

At Arlington last week, the President pledged continued observance of previous arms control agreements "so long as the Soviet Union shows equal restraint" and promised to seek peace "by actively pursuing every chance of honest and fruitful negotiation."

Damage From a Leaked Defense Plan

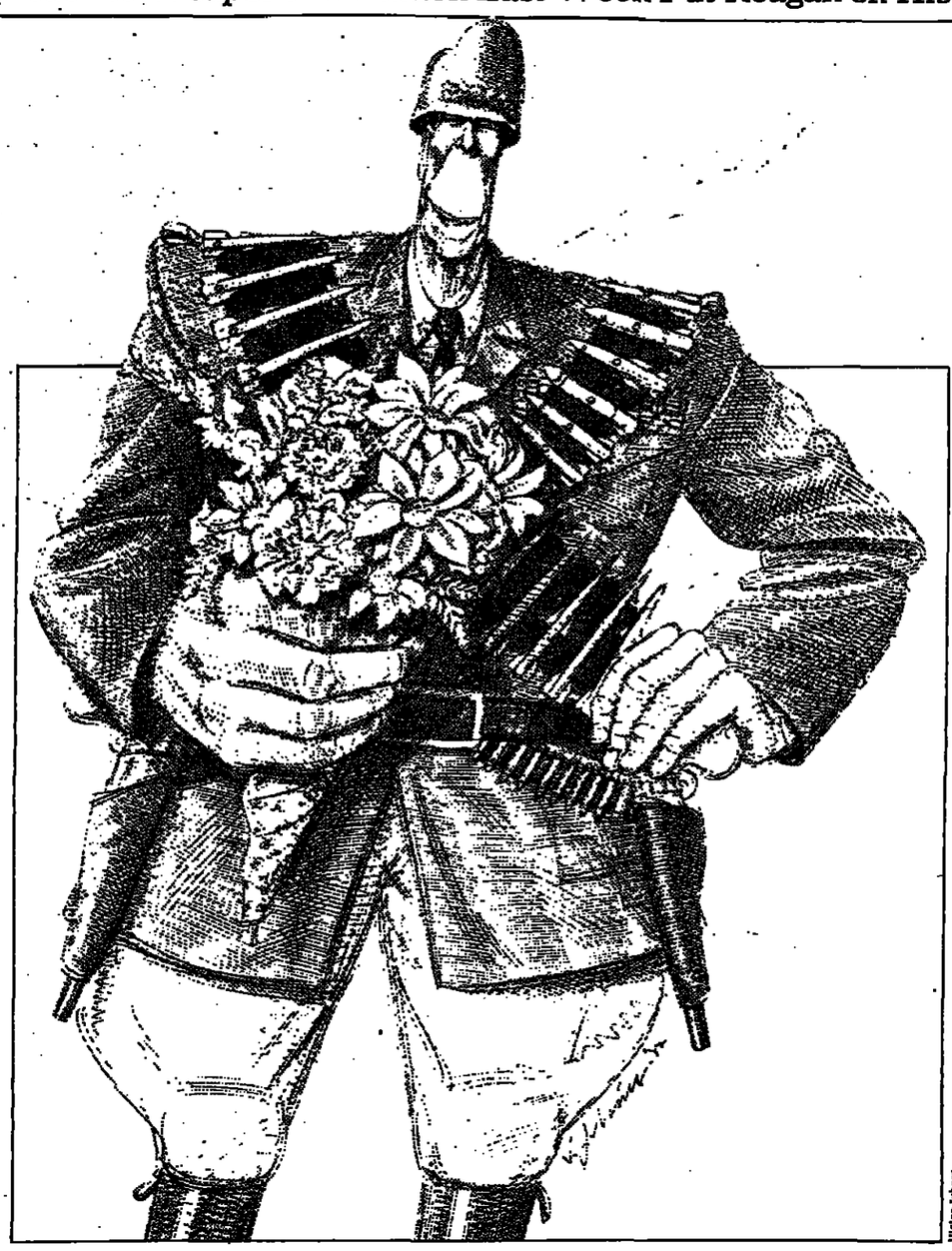
The speeches dispensed with the harsh anti-Soviet language of previous Presidential comments and also avoided any insistence on direct linkage between arms control and other Soviet actions around the world. The public bluster, coupled with the Administration's stress on a military buildup, had fed antinuclear movements in Europe and fears that the United States was leading the alliance toward conflict with the Soviet Union.

But the reassuring effect that the recent Reagan speeches and the accompanying diplomacy have had on Western opinion has been dulled by other signs suggesting to some critics that the Administration was only trying to lull them and that Mr. Reagan was not interested in a serious effort at reducing tensions.

Just before the Arlington speech, for example, a five-year defense plan was leaked that would have American military leaders prepare for nuclear counterattacks against the Soviet Union "over a protracted period." The policy document also called for economic warfare in peacetime against the Russians for boosting China's military potential and for developing the capability to conduct guerrilla warfare against Eastern Europe and other targets.

The Administration seems determined not to let its proposals for reductions in Soviet and American strategic arms derail its long-range program for new strategic B-1 bombers, land-based MX ballistic missiles and new submarine-launched missiles, as well as more durable command and control underground centers intended to survive nuclear attack.

Eugene J. Carroll Jr., an Administration critic, wrote last week that while Mr. Reagan's proposals in Eureka for a one-third reduction in missile warheads were "appealing, they are also misleading diversions to defuse the freeze campaign while the Administrtion continues to develop, test and deploy new nuclear systems." The five-year defense plan, he said, "leaves no doubt that America intends to continue the nuclear buildup, even renouncing existing arms-control measures if necessary."



Victor Juhasz

Mr. Reagan, besides what he says publicly at the conclusion today of the meeting in Versailles of leaders of the large industrial democracies, has important speeches scheduled for London and Bonn this week. In them, he plans to expand on his proposals for strategic arms reductions (a Pravda editorial's rejection of his proposals last week notwithstanding) and to outline a new approach to cutting back conventional forces in Central Europe. He also plans to present his plan for creation of a quasi-governmental foundation to promote democracy in developing countries and, where possible, in Communist states.

Seeking get to undermine the emphasis of the President's European speeches, Defense Secretary Caspar W. Weinberger endeavored to explain last week that the leaked five-year defense plan, which he signed, did not represent a contradiction in Administration policy. The purpose of the directive, he said, was to deter a Soviet attack, not to plan a winnable nuclear war. "Nowhere in all of this do we mean to imply that nuclear war is winnable," he said. "This notion has no place in our strategy."

In effect, the Reagan Administration is enunciating an updated version of the carrot and stick approach that has been followed more or less by every administration since George F. Kennan put forward his "containment policy" at the end of World War II.

The approach is based on the assumption that by maintaining a strong military force, the United States can pressure the Soviet Union into devoting its energies to improving its domestic standard of living, rather than to overseas adventures that risk conflict with the West. To further encourage the Soviet leadership to seek constructive relations with the West, various administrations have offered incentives in the form of improved trade and other contacts.

But in the past, this two-track approach of building up American forces while promoting improved relations — whether it was called "détente" or the earlier "peaceful coexistence" — has been difficult to sustain in domestic politics. Congress has been reluctant to approve large sums for military spending when the Russians were perceived as interested in better relations. And likewise, when the Russians were seen as hostile to the United States, it has been hard to promote policies of cooperation and arms control.

The Carter Administration took office emphasizing its desire for closer relations with Moscow and gave its highest priority to control of both conventional and nuclear arms. That policy was abandoned after the Soviet invasion of Afghanistan in December 1979 and it was roundly attacked by the Mr. Reagan in his campaign.

When the Reagan Administration came in, it initially lived up to its campaign rhetoric by focusing exclusively on building up defense. This policy frightened many Europeans who believed that the pattern of East-West cooperation built up in recent years was being destroyed.

Moreover, European leaders stressed to Washington that while the United States Congress might need an atmosphere of East-West confrontation to justify larger arms expenditures, in Europe such an atmosphere only encouraged pacifist trends. What was needed, they said, was a return to a more balanced approach, a policy of arming while seeking to disarm.

Back to the Two-Track Policy

In response to the Europeans, as well as to the sudden growth of the nuclear freeze movement in the United States, the Reagan Administration has, indeed, adopted this approach. In the Nixon Administration, it was called gathering "bargaining chips" for future arms control negotiations.

The President has not retreated from rearmament programs, due to cost at least $180 billion by the end of the decade. But he has proposed drastic cuts in medium-range nuclear missiles in Europe as well as the longer-range strategic variety.

He has given up strenuous efforts to block construction of a Soviet natural gas pipeline to the West, accepting the Europeans' argument that they need the jobs and energy the project will provide. Instead, at this weekend's Versailles meeting, he was trying to gain support for curbs on government-backed credits to the Russians and a further tightening of NATO restrictions on the sale of strategic goods to the East.

Mr. Reagan is under considerable pressure to demonstrate that his policies are consistent with those to which the European leaders and public have become accustomed. His schedule has been tailored so he will have a minimum of opportunities to fail. His meetings with fellow leaders at the North Atlantic Treaty Organization session in Bonn and talks in other capitals will be private. His public appearances at the British Parliament and the Bundestag in Bonn will provide him with the chance to make the kind of speeches his audiences want to hear.

On the Eve of U.N. Session, Some Antinuclear Initiatives

BEFORE the upcoming United Nations special session on disarmament bogs down in a propaganda contest between East and West and North and South, a group of statesmen representing all camps last week issued its own ideas for reducing the threat of nuclear war. The key proposal of the Independent Commission on Disarmament and Security Issues was to eliminate so-called tactical nuclear weapons from Central Europe by the end of 1983.

The 16-member panel was headed by Olof Palme, the former Swedish Prime Minister, and included former Secretary of State Cyrus R. Vance and Georgi A. Arbatov, the Kremlin specialist on the United States. Commission members noted that Mr. Arbatov had accepted language endorsing on-site verification of arms control treaties, which the Russians had avoided. Mr. Arbatov, however, was ostensibly acting as a private citizen.

Mr. Vance argued that elimination from Central Europe of tactical nuclear weapons — relatively short-range arms meant for use against military units or fortifications — would prevent nuclear conflict from beginning at a low level. The panel contended that "once the nuclear threshold has been crossed, the dynamics of escalation would inexorably propel events toward castrastrophe." The North Atlantic Treaty Organization says it must have tactical nuclear weapons to deter an attack by the Warsaw Pact's numerically superior conventional forces.

The commission report was one of many preludes to the United Nations session, which starts tomorrow and runs for five weeks. Thousands of private citizens and groups from around the world were converging on New York to attend the session and related activities, including an antinuclear rally in Central Park on Saturday.

The American and New York Civil Liberties Unions filed suit last week seeking visas for nearly 500 people denied entry to the United States under a 1952 law aimed at keeping out security threats and other "undesirables." Most of those barred were members of a Japanese group "closely affiliated with the World Peace Council," a State Department spokesman said. He described the council as having "strong affiliations" with the Soviet Communist Party. However, 50 members of council were later approved for entry, officials said, because they had been formally invited by the United Nations. They were to be restricted to within 25 miles of New York City.



Camera Press / Lionel Cherruault

Prime Minister Indira Gandhi

Washington Trip, Neighborly Conciliation, Reflect a Shift in Emphasis

Mrs. Gandhi Making the Most Of Foreign Policy Openings

By MICHAEL T. KAUFMAN

NEW DELHI — Halfway through her latest term as Prime Minister, Indira Gandhi is embarked on an effort to win new foreign friends and reassure old enemies. Gone are the strident tone and loud insistence on India's regional dominance that have often characterized her Government's foreign policy statements.

"There has definitely been an attempt to avoid contentious issues on the part of the Indians," said an American diplomat working on the itinerary for Mrs. Gandhi's scheduled visit to Washington next month. The trip, in response to an invitation from President Reagan, will be her first to the United States in more than a decade. In that interval, she suspended constitutional protections in her "emergency" in 1975, was toppled in elections in 1977 and returned to power from political purgatory and the brink of imprisonment in 1980.

In her current term, Mrs. Gandhi is seeking to erase her reputation for authoritarianism. Concentrating more on foreign than domestic policies, she has shown new flexibility in reaching out to China and Pakistan, former enemies, as well as to the United States, never an enemy but never regarded as a faithful friend. Last week, Mrs. Gandhi breathed new life into faltering discussions with Pakistan, sending a letter to Gen. Mohammad Zia ul-Haq, the Pakistani leader, in which she agreed to a speedy resumption of negotiations.

The details of the American trip reflect the new conciliatory approach. At one point, the Prime Minister thought of twinning her visit to Washington with an appearance at the United Nations, possibly an address to the special session on disarmament that begins tomorrow. This idea was abandoned when, according to some of her associates, it became obvious that the hoped-for amity of a meeting with the American President might be threatened if, in speaking at the United Nations, she were obliged to restate the litany of third world complaints against the United States and other developed countries. Closer to home, the Prime Minister has sustained the momentum of talks she initiated with China to normalize relations and settle a 20-year border dispute. Some political observers here believe that Mrs. Gandhi may try to time a breakthrough in the talks just before the next scheduled general election in 2½ years.

Similarly, she has nurtured the lurching talks with Pakistan aimed at what has been variously described as a nonaggression pact or a peace and friendship treaty. Progress is apparently being made on Mrs. Gandhi's suggestion to create a permanent joint commission to deal with disputes between the two nations that have battled three times.

India has signaled its quest for better relations with Washington by ending criticism of the United States for maintaining a military base on the Indian Ocean island of Diego Garcia. Even the familiar attacks on Washington for resuming arms sales to Pakistan and failing to provide nuclear fuel to India under terms of an agreement have virtually disappeared.

Playing It Cool on Soviet Arms

At the same time, Mrs. Gandhi has not jumped at what some diplomats and military attachés believe was a bargain basement arms offer brought to India in March by a huge, high-level Soviet military delegation. Campaigning last month for her Congress Party's candidates for state offices, she for the first time disparaged Communism as an economic system that failed to produce sufficient food.

The visit of the Soviet generals was followed by an announcement that India was buying at least 40 Mirage 2000 jet fighters from France to counter the F-16 jets the United States is supplying to Pakistan. This move was interpreted as showing Mrs. Gandhi's eagerness to draw closer to Western Europe and her preference for what her Government regards as France's detached, anti-Soviet Socialist policies.

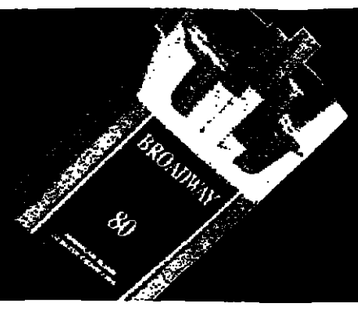
A senior United States diplomat in India said that, taken together, these steps have given force to Mrs. Gandhi's repeated assertions that she is "neither pro-Western nor pro-Soviet but pro-Indian." Two years ago, such assertions drew raised eyebrows in Western embassies in light of India's ambiguous response to the Soviet invasion of Afghanistan and its distinction of being the only non-Communist country to recognize the Vietnamese-installed regime in Cambodia. Now, the United States is muting any assumptions of India's pro-Soviet fealty. In a recent speech in Karachi, Ronald I. Spiers, the American Ambassador to Pakistan, said the United States "does not share the view that India is any other nation's proxy." An American diplomat in India said privately that despite India's unwillingness to castigate Moscow over Afghanistan, the presence of Soviet forces at the Khyber gates to the subcontinent had altered Indian geopolitical assumptions, serving to encourage cooperation with Pakistan and friendships in the West.

The Low Road of Domestic Politics

There are also domestic reasons for emphasizing foreign policy. Politically, Mrs. Gandhi remains strong but the Congress Party is a shambles, particularly at the grass roots. It failed to win clear majorities in three of four state legislatures in elections last month, although it gained control of three legislatures through political maneuvers and lures to independents. Often in league with local satraps, landlords and strong-arm enforcers, the party has been implicated in scandals and corruption. The political rot, a legacy of the "emergency" period when many capable politicians defected, has tarnished Mrs. Gandhi's image as a stateswoman — the daughter of Jawaharlal Nehru, who cofounded the nation with Mohandas K. Gandhi (no relation to the Prime Minister). One way to rise above the mess is to pursue the relatively high road of foreign policy.

There are also economic considerations. Relying heavily on the economic strategies of L. K. Jha, a senior economist and civil servant, the Government has concluded that the greatest prospects for growth lie in the private sector. The capital and technology needed to stimulate the antiquated, overregulated and moribund industrial capacity of India are in the West. In advance of her visit to the United States, the Prime Minister sent C. P. N. Singh, her Minister of Science and Technology, to talk to multinational companies about acquiring processes in such fields as solar and wind energy.

BROADWAY 80



I'm glad I changed...

The Nation

In Summary

Eliminating 'Fine Distinctions' In Auto Searches

In a move intended to clarify and expand search and seizure laws governing automobiles, the United States Supreme Court last week ruled 6 to 3 that police officers with "probable cause" to search a car without a warrant may search all luggage and packages found inside as well.

The Court's "automobile exception" to the Fourth Amendment search warrant requirements has long permitted officers to stop a moving car and conduct a warrantless search if they suspect contraband. Because the 1925 exception was not extended to certain categories of closed containers found within a car — suitcases and satchels, for example — officers were required to get warrants on a case-by-case basis, or initiate the searches and prove probable cause after the fact. Police have complained that having to distinguish between packages that should and should not be searched was confusing and left law enforcement agencies open to lawsuits.

The ruling grew out of case in which District of Columbia police searched a suspected drug dealer's car and, without a warrant, opened a folded-over paper bag containing heroin. A Federal appeals court ruled that the police had violated the Fourth Amendment by not securing a warrant prior to the search.

Writing for the majority, Associate Justice John Paul Stevens said that during a legitimate search "nice distinctions," between closets and drawers in a home or glove compartments and wrapped packages in automobiles "must give way to the interest in the prompt and efficient" completion of the task. In a dissent, Associate Justice Thurgood Marshall contended that "efficiency and promptness" could not be substituted for due process and adherence to the Constitution. "Is not a dictatorship the more "efficient" form of government?" he asked.

Smith's Finances Under Scrutiny

Last December, Attorney General William French Smith said he would not seek changes in the much debated special prosecutor law — a campaign for the repeal of which he had led — while Administration officials were under investigation. Last week, his position, and that of the Administration, became even more awkward.

According to a Justice Department official familiar with the case, the nation's highest law enforcement officer is under preliminary investigation himself, for possible violation of Federal statute in accepting a $50,000 severance payment from a California steel concern for which he had served as an independent member of the board of the directors. Mr. Smith received the money 11 days before he was sworn in as Attorney General last year; 10 days ago, declaring that the payment had been proper but that the appearance of impropriety should be avoided, he returned it.

The difficulties are already more than political. Under the Ethics in Government Act of 1978 it is the Attorney General who must determine within 90 days after an allegation is made that an independent special prosecutor should be appointed. But this inquiry (prompted by an anonymous letter from a Justice Department employee), and a separate request from House Judiciary Committee chairman Peter W. Rodino Jr. for an investigation into Mr. Smith's other financial transactions, including his use of tax shelters while in office, center on the Attorney General. His two top deputies have excused themselves; the Federal Bureau of Investigation report will go to Rex Lee, the Solicitor General.

The Familiarity of Victory

Like the river that borders his state, that old man John C. Stennis of Mississippi keeps rolling along. Mr. Stennis, who first went to the Senate in 1947 to fill a vacancy and has since been elected to five terms, last week won the Democratic nomination for another as Mississippi, West Virginia, New Mexico and South Dakota held primary elections.

The 80-year-old Senator, facing opposition for the first time in both the primary and the general election said his victory "hit that age thing a solid blow" and promised a "hard hitting campaign" against Republican challenger Haley Barbour in November. He defeated state Senator Charles Pittman and radio station owner Colon Johnston.

In West Virginia, Senate minority leader Robert Byrd was unopposed for the Democratic nomination but is expected to face strong opposition in November from Representative Cleve Benedict whose father, Cooper Benedict, lost to Senator Byrd in 1964.

The closest races were in New Mexico, where Attorney General Jeff Bingaman defeated former Gov. Jerry Apodaca for the Democratic Senate nomination. Mr. Bingaman will face first-term Senator Harrison Schmitt, who was unopposed, in



Senator John C. Stennis

November. In South Dakota, Republican Gov. William J. Janklow will face State Senator Mike O'Connor in November. Mr. Janklow, who was unopposed in the primary, is seeking a second four-year term.

No Jokes About Dropping In

That the United States is in a period of moral decay is a matter of opinion. That its physical plant is decaying is a matter of fact. The evidence reaches from coast to coast: aging Interstate highways buckle, water mains crack, sewage systems break down. And nearly half of all the country's bridges are deficient or obsolete, according to a Federal Highway Administration study, released last week by an industry group.

The rotting away of the national infrastructure, more and more observers are saying, is partly the result of a Government policy that supports new public works construction at the expense of maintaining what it already has. The National Governors Association warned last year that decay of these support systems threatened to choke economic revitalization in towns and cities across the nation.

About 37 percent of the bridges counted in the Federal report are more than 40 years old. Much of the nation's 3.8-million-mile road network is more than 60 years old. The Federal Highway Administration estimates that highways are wearing out 50 percent faster than they are being replaced and that 10 percent of the aging Interstate system needs resurfacing immediately. Highway officials estimate that it will cost $47.6 billion to repair the nation's bridges alone. But with tight budgets and lower gasoline tax revenues, they will get a fraction of that amount.

Ample Waves of Grain

For a good many American farmers, Wayne Cryts is a folk hero. Mr. Cryts left jail last week after serving more than a month for contempt for refusing to identify farmers who helped him remove 31,000 bushels of soybeans from a grain elevator in Bernie, Mo. last year. Farmers say the case underlines the need for new bankruptcy laws that more closely protect their fragile economy.

The trouble began when Mr. Cryts, who had stored 31,000 bushels of soybeans at the Ristine elevator in 1979, was ready to market his crop in 1980. In June of that year, while Mr. Cryts's beans were still in storage, the elevator company declared bankruptcy. In a subsequent hearing, Judge Charles W. Baker of Federal Bankruptcy Court in Arkansas ruled that the stored grain in 11 elevators — including Ristine — was an asset of the company.

On Feb. 16, 1981 Mr. Cryts with the help of 300 other farmers removed 31,000 bushels of soybeans from Ristine. Federal marshals allowed them to take the beans and truck them 25 miles to an elevator in Bernie, owned by the same company, until appeals in the case were decided.

In July 1981 Judge Baker ordered the company's assets sold. Mr. Cryts, fearing that his beans would be sold and facing a due date on a $140,000 Commodity Credit Corporation loan, moved his soybeans, this time with the help of 70 farmers, and sold them. In addition to facing heavy fines, Mr. Cryts has been ordered to pay the Ristine elevator for the 31,000 bushels of grain he removed.

William C. Rhoden,
Michael Wright
and Caroline Rand Herron

Budget-Stalled Politicians Fear the Voters' Wrath

By ADAM CLYMER

WASHINGTON — "As of last Friday, it's Tip's recession," said Representative Guy Vander Jagt, chairman of the National Republican Congressional Committee. Not to be outdone for an elemental partisan interpretation of the House's failure to pass a budget resolution, Representative Jim Wright, the majority leader, said, "The President of the United States is the one single human being who decided there would be no budget."

Their comments were on the edges of an issue which both parties treat with a fundamental nervousness. They don't know how important an election issue the budget mess can become, or whom it will hurt.

Not every bit of Congressional budget energy was devoted to rhetoric and recrimination last week, though at times it seemed so. Both parties readied new versions of budget resolutions, hoping to fine-tune them precisely enough to command 218 votes in the House on Wednesday. Designing an added incentive to adopt either a Republican or a Democratic Congressional plan, House leaders decided to put President Reagan's original budget on the agenda as an unappetizing last course the lawmakers would have to vote on if they couldn't find a majority for Democratic broccoli or Republican spinach.

As for the public, the strongest message from the opinion polls is that the issue does not matter very much yet. In the latest New York Times/CBS News Poll, taken the week before the House stumbled to failure, only 23 of the 1,470 Americans interviewed would cite any aspect of the budget controversy as the nation's most important problem, while 27 percent picked unemployment, 9 percent, inflation and 32 percent, "the economy."

The poll offered other evidence that the budget issue has not yet penetrated far. On a range of questions about what respondents would be willing to do to reduce the size of the Federal deficit, opinions were almost unchanged since March, despite two months of continual public debate. Forty-eight percent in May, compared to 49 percent in March, were willing to reduce proposed military spending, and 31 percent in May, after 29 percent in March, would have proposed spending on programs for the poor reduced.

But the Representatives and their advisers are plainly worried about the potential effects of the issue, though they feel that until this week's votes, nothing much is fixed in the public mind — except another Congressional failure which reflects, if not very precisely, on incumbents in general.

Some Democratic Congressmen speak wistfully of "an Argentine solution — defeat with honor" in which they could be blamed neither for obstructiveness nor for the consequences of whatever is adopted. For the time being, they concentrate on saying that Presidents are responsible for proposing budgets, as indeed they are under law, and that Mr. Reagan shirked by proposing one that no one liked, staying aloof from all but a final effort to compromise, and then by vacationing in California when the real votes were being taken.

But the Democrats had to know that however big its impact, the budget issue was not helping them. An NBC News/Associated Press Poll in early May found that 49 percent of the public said they blamed Democrats in Congress more than President Reagan "for the failure to reach a compromise on next year's Federal budget." Only 33 percent blamed Mr. Reagan.

The Democrats wanted to keep the political heat on the Administration over the recession. Last week's report that unemployment was at 9.5 percent, the highest monthly figure ever recorded in an election year, meant that the Republicans now have only five months to diminish the argument. There were some modest pieces of good economic news, however. The Conference Board said its May survey of consumer confidence showed a gain for the second straight month, and American auto sales were up, by 11.6 percent. But production cuts were planned for June.

Meanwhile, some Republican strategists were offering their own theories. Edward Rollins, assistant to the President for political affairs, said "there's no question that the breakdown gave us a partisan issue — it shows that the Democrats can't come up with an alternative to the President's program."

That theme, the argument that the Democrats have no solutions of their own, is already a key part of the Republican campaign, though it has made less noticeable impact than the Democrats' key argument for 1982 — that they stand for fairness and the Republicans don't. Another Republican strategist, who asked that his name not be used, said that if this issue is exploited with enough imagination, it can serve to show that the Republicans are not in total control, and thus do not deserve the blame for everything that goes wrong (that is, the recession).

But that case has not been made yet. Robert M. Teeter, president of Market Opinion Research, a leading Republican polling company, said that an eventual failure to adopt a budget would not only menace incumbents generally, but Mr. Reagan and the Republicans in particular, "because Republicans are perceived as being in charge."

But none of these decisions are being made solely with an eye on the polls. Old-fashioned political instincts matter too, or else both parties would go for one clearly popular budget alternative that would produce a smaller deficit. And they would repeal the 10 percent personal income tax cut scheduled for July 1983. The Times/ CBS News Poll showed 54 percent of the public, especially those in the upper-income brackets who have the most to gain, prepared to give it up; only 27 percent disagreed.

There are political instincts at work here, too, the instincts that warn office-holders against casting a vote that can be described, as Republicans have said they would call it, as a vote to raise taxes. And those instincts are responsible for what Richard Richards, the Republican National chairman, saw happening. In a reflective mood, he observed, "We'll blame the Democrats and they'll blame us." He added, "I don't know whether it will have an impact."

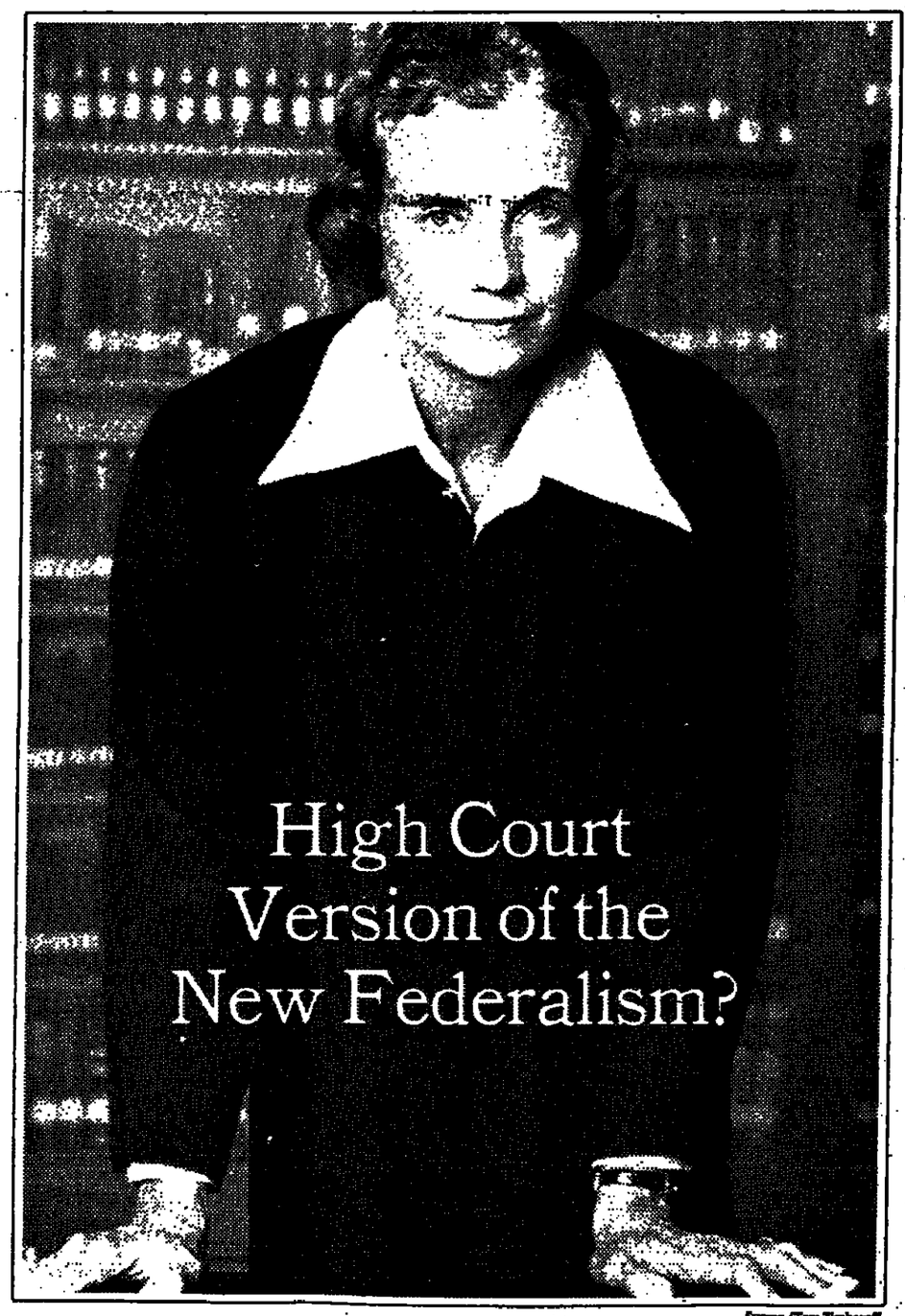
Public preferences on reducing the deficit

To reduce the size of the Federal deficit, would you be willing or not willing to . . .

	Willing	Not willing	Don't know/ no answer
. . . eliminate the Federal income tax cut planned for July 1983?	55%	27%	18%
. . . have the Government reduce proposed spending on military and defense programs?	48	44	8
. . . have the Government reduce proposed spending on programs for the poor?	31	61	8

Source: New York Times/CBS News Poll conducted May 19-23, 1982

Justice O'Connor Bows to State Court Denials of Habeas Corpus



Sygma/Tom Zimberoff
Associate Justice Sandra Day O'Connor

By LINDA GREENHOUSE

WASHINGTON — While Congress debates new limits on Federal court jurisdiction, the United States Supreme Court this term is taking its own approach toward circumscribing the power of the lower Federal courts. The Court's focus has been not jurisdiction, but access: Who may bring a Federal case in the first place.

In recent decisions, the Court has raised new barriers to access, with the result that, more than ever, a litigant can forfeit the right to have a complaint based on Federal law or the Federal Constitution heard in a Federal forum, through inadvertance, poor legal advice or just bad luck.

The rulings have been technical, their impact perhaps more symbolic than practical. But they mark the Court's renewed interest, after several years of silence, in a theme it began to develop in the mid-1970's. The Court's premise seems to be that there no longer is any reason for Federal courts to occupy a preferred position as the front-line defenders of individual rights.

This term's decisions also mark the emergence of the newest Justice, Sandra Day O'Connor, as an active member of the prevailing conservative bloc, at least on this issue. She wrote two of the decisions and, as a former state court judge, seems to feel a special commitment to enhancing the prestige and power of the state courts.

It is too soon to characterize Justice O'Connor's role as one of leadership, but her desire to play a role seems stronger than Justice Stewart's.

Both opinions by Justice O'Connor concern prisoners' petitions to Federal judges for writs of habeas corpus. Habeas corpus is essentially an order releasing a prisoner from confinement on the ground that some aspect of the trial or sentence violated the law or the Constitution.

In both cases, Federal appeals courts had granted the writs, and the Supreme Court reversed those decisions. In one, Engle v. Isaac, an Ohio prisoner's habeas petition had challenged the constitutionality of the jury instructions at his trial. The prisoner's lawyer had not raised the objection at the trial itself, a failure that under the Supreme Court's precedents would bar a Federal court from considering the petition unless the prisoner could demonstrate "cause" for the lapse.

The prisoner argued that under Ohio law at the time of his trial, such a challenge would have been "futile," and that only subsequent legal developments indicated that the jury instructions had been deficient. The Federal appeals court accepted that reasoning, but Justice O'Connor disagreed. The prisoner had failed to show "cause," she said, because the challenge, while perhaps not obvious, had been at least technically available. "The Constitution guarantees criminal defendants only a fair trial and a competent attorney," she wrote. "It does not insure that defense counsel will recognize and raise every conceivable constitutional claim."

Her second ruling, U.S. v. Frady, concerned a habeas petition by a Federal prisoner. That petition also was based on erroneous jury instructions that had not been objected to at trial or on direct appeal. The Federal appeals court, finding that the jury instructions were "plain error," granted his petition despite the failure. The Supreme Court reversed, ruling that "plain error" was too lenient a standard for the court to have applied.

Underlying these decisions are several assumptions. One is that the price society pays for habeas corpus is high, frequently higher than the price for allowing constitutional errors to remain uncorrected. Another is that state court judges need respect, not second-guessing, from the Federal bench. "Federal intrusions may seriously undermine the morale of our state judges," Justice O'Connor observed in the Ohio case. "Indiscriminate Federal intrusions may simply diminish the fervor of state judges to root out constitutional errors on their own."

Neither assumption is new for the Court, but a third one seems to be. It is that a state court's procedure is assumed to have been adequate if it had the appearance of regularity, regardless of the substance of what actually happened.

When the Court first began to cut back on the availability of Federal habeas corpus, it seemed anxious to ensure that the state prisoners being barred from Federal court had at least had the chance to put their constitutional issues before the state courts.

In Stone v. Powell, an important decision in 1976, the Court closed the door to Federal habeas corpus review of search-and-seizure claims under the Fourth Amendment, but only in cases where the state court had provided "an opportunity for full and fair litigation" of the prisoner's Fourth Amendment claim.

It was the essence of the prisoners' complaints in the two recent cases that, because of subsequent changes in the law, they had not had that opportunity. The validity of the argument was not crystal clear but, in any event, the courts of appeals had resolved the ambiguity in the prisoners' favor. The Supreme Court resolved it the other way.

That was also the approach in a decision last month in an employment discrimination case. The question was whether a plaintiff who lost a discrimination case in state court can relitigate the issue in Federal court. The Court's answer, in an opinion by Associate Justice Byron R. White, was no.

The case, Kremer v. Chemical Construction, was interesting because the Justice Department, hardly a champion of Federal court activism, argued in support of the plaintiff's right to Federal court review. The state court procedure, the department said, was so cursory that it could not be described as a "full or fair adjudication."

The Court was unmoved. "State proceedings need do no more than satisfy the minimum procedural requirements" of the due process Clause, Justice White said. "No single model of procedural fairness, let alone a particular form of procedure," is dictated by the Constitution, he added. Justice O'Connor was in the majority. The vote was 5 to 4.

A Gloomy View From Versailles

Europe fears the decade ahead will mean more joblessness and perhaps a new outburst of inflation.

By LEONARD SILK

VERSAILLES, France

ONE goes to a summit for the view. But the view from this year's economic summit at the palace of the Sun King is not particularly inspiring. In fact, it seems somewhat depressing.

Dark clouds from the current recession — the second in three years — hang over Western Europe, North America and even Japan, and official policies seem incapable of blowing them away.

The jobless rolls in Western Europe have climbed above 10 million, two million more than a year ago. In the United States, the unemployed exceed 10 million, also two million more than last year at this time.

Even the Japanese economy seems stalled, as other countries dig in against efforts by Japan to solve its domestic problems by exporting more goods to them.

Among the 24 industrial countries, the Paris-based Organization of Economic Cooperation and Development predicts, unemployment could approach 30 million by the end of this year. And this severe unemployment, which will blight lives and further strain the social service capacities of various governments and economies, may persist throughout the decade, should the noninflationary policies now in vogue fail to work.

That prospect clearly worries bankers and other financial minds.

Karl Otto Pöhl, the president of the Bundesbank, West Germany's central bank, recently stated: "If I were to try to draw a conclusion from the hours and hours of intensive discussions with finance ministers, central bank governors and other people bearing high responsibility, the outlook would be rather gloomy.

"Unemployment is increasing in all industrial countries," he continued, "and there is no sign that this will change very soon. On the contrary, even if economic activity picks up in the course of this year or at least next year, unemployment will stay at levels which can only be compared with those the Western world saw during the thirties."

The waves of inflation have receded, although in a few countries, including France, Canada and Italy, the underlying wage and price trends remain disturbingly high. Anxiety that inflation could flare anew prevents governments from trying to cure unemployment by adopting more stimulative fiscal and monetary policies.

Looking down on the financial sector from Versailles, the ranges of interest rates look very high, especially in the United States.

Those high rates appear to reflect anxieties over the sustainability of economic recovery; assuming that it starts during the second half of this year. There is a deeply perceived threat to the survival of many businesses if it does not.

And high unemployment and excess industrial capacity also threatens the open trading system that has nourished world economic growth during the postwar years.

A summit is not the occasion for merely contemplating current political and economic disorders but for peering into the future. Though it is part of the summit routine for the heads of state to express confidence about the future, many of the economic seers who advise both government and business leaders are anything but confident.

Uncertainties abound in the banking and business world in Europe. Many of the best-informed analysts swing, in the course of a single conversation, between optimism and pessimism.

"Matters could turn out to be significantly better or worse," Christopher W. McMahon, deputy governor of the Bank of England, told a recent conference in London. An optimist could make a case, he said, for believing that the extent to which inflation has been brought down has been underestimated by the public and the markets, and that, as realization of the improvement spreads, interest rates might fall and sustainable, noninflationary growth begin.

But on the other hand, Mr. McMahon noted, a pessimist could point to serious risks: "He could argue that until the tension between fiscal and monetary policy in the United States is resolved, doubts must remain about any early or significant reduction in interest rates there and about the strength of any general upturn in the United States economy.

"More generally, he could be concerned as to how economies may react to a long period of high real interest rates. And there is a separate and related question of how far debtors — be they countries or industrial companies — will be able to adjust to the higher real cost of servicing their borrowing."

While concern is deep here over big United States budget deficits and high rates of interest, foreign heads of state and their advisers are loath to attack President Reagan directly on the issue by criticizing his large tax cuts or rapid military buildup. "Those are domestic American issues," one high British official said.

But they recognize, glumly, that the budgetary problem is not likely to be resolved soon by the surrender in Congress of the Democrats, or recalcitrant Republicans, to the President's proposals for further deep cuts in social programs.

Except for France and Canada, which have tried to pursue a more expansionist course, the foreign leaders agree with the priority the Reagan Administration has given to bringing down the rate of inflation over measures to check rising unemployment.

Politically, they believe that sluggish economies and climbing unemployment have not proven the disasters their critics claimed they would be. Economically, they insist their policies are working — or will, given time.

Their economic advisers, with rare exceptions, believe that efforts to promote more rapid economic growth by expansive fiscal and monetary policies would only revive inflation and lead to new setbacks.

No country seems capable of pursuing such expansionist policies on their own. As inflationary expectations mount, investment in domestic industry founders, capital may flee, unemployment rises and exchange rates fall, aggravating the inflation.

This has been true not only of France under President François Mitterrand but of Canada under Prime Minister Pierre Elliott Trudeau. Both countries tried to go for growth, to cut unemployment, but both have run into trouble on the price front and in the international exchanges.

French and Canadian political leaders are not prepared to throw in the sponge yet on their effort to promote a higher rate of growth. They are considering stronger incomes policies to control inflation as they aim at stronger growth. And they favor joint action among the Western countries to sustain their own expansive policies.

But the conservative politicians and economists representing the Governments of the United States, Britain, West Germany and Japan have concluded there is no real alternative to sticking with restrictive fiscal and monetary policies that, by curbing inflation, will eventually establish the conditions for sustainable growth.

For the most part, private bankers and industrialists agree, but not happily or with the confidence of the theorists who insist that, very soon, healthy economic growth will resume.

Indeed, some private bankers in both Britain, West Germany and the United States are very worried that, instead, the world is in for a long spell of depressed activity and unemployment. The leading economic spokesman of West German banking, Wilfried Guth of the Deutsche Bank, said, for instance, that he expects the scope for world economic growth to remain "rather limited" throughout the 1980's, and that growth is more likely to be found in some OPEC countries and a number of the newly industrialized countries of the third world than in the older industrial countries.

Mr. Guth warned that, due to their low profitability and capital erosion in a period of limited growth with continued inflation, companies in the highly industrialized countries are becoming more susceptible to "unforeseen and problematical situations." He has told his fellow bankers to be wary because in such a setting "the insolvencies of formerly reputable international companies are no longer unthinkable."

In London, some of the leading financial minds are highly critical of Prime Minister Margaret Thatcher for believing that all that is needed to set the country back on the growth track is a tough anti-inflation policy that bangs sense into the trade unions — causing wage restraint and rising productivity — and forces reform and rising efficiencies upon delinquent companies and industries.

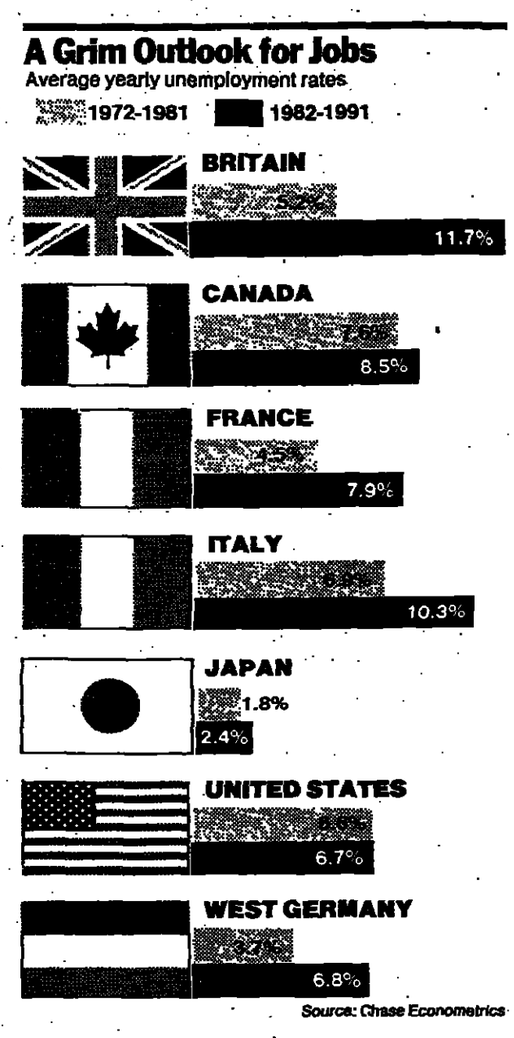
One London merchant banker said of Mrs. Thatcher: "She does not seem to realize that, just as prosperity lifts all the boats, as President Kennedy said, high interest rates can sink them all — well-run companies and badly run companies alike."

Looking down from the summit, one can espy many problem sectors in world trade — petrochemicals, agricultural products, textiles, steel, autos — and plenty of problem regions — Eastern Europe, the developing countries, and OPEC.

There remains anxiety that OPEC, its power unbroken, will be able to exert greater leverage on prices once again — especially once world economic recovery begins.

And military and trade confrontations between East and West are high on the Versailles summit agenda, as is the impact of government spending on such sectors as aircraft, computers, telecommunications, electronics, and nuclear weapons and materials.

Obviously, one should not expect too much from a three-day summit, but the United States and its partners seem prepared to do a measure of policy trading to strengthen Western cooperation on economic policy, shore up the international trading system and reach a consensus on East-West trade. That would allow all the Western leaders to come down from the summit proclaiming the spoils of victory and asserting that they had restored confidence.



The Economy

Prospects

Rates Stay Sticky

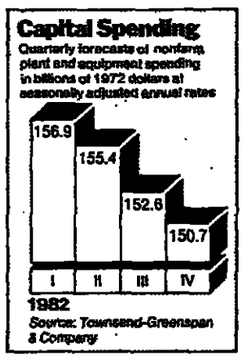
While the cut in the prime rate by two big banks is welcome, the move to lower rates has scarcely become a stampede. Even though analysts say that lower inflation, plus continued economic weakness, should permit rates to fall from the 16.5 percent most banks are now charging, the view from Wall Street suggests otherwise.

Volatile swings in the rate banks pay for money and a sharp increase in non-performing loans and business failures have prompted banks to become more intent on protecting profit margins and less likely to cut rates, argues David Jones, an economist at Aubrey G. Lanston & Company, the government securities firm. What could be $45 billion in new Treasury financings in both the third and fourth quarters, as well as a likely spurt in the money supply in July, has compounded caution.

As a result, rates are unlikely to fall much below 16 percent this summer, Mr. Jones and others say. Barring an unexpected financial failure or solution to Washington's fiscal problem, rates may trend upward after that.

Capital Spending Slump

By now, the Reagan Administration had hoped the fruit from its investment incentives would be seen in the form of expanded capital spending plans. Sadly, that is not the case. Instead, high interest rates, decaying balance sheets and low capacity utilization have provided more practical counterweights. While first quarter figures on plant and equipment expenditures, due Thursday from the Commerce Department, may show a miniscule real increase, analysts say that for the rest of this year and into 1983, investment outlays are likely to show steady declines. Alan Greenspan, president of Townsend-Greenspan & Company, the economic forecasting firm, currently expects inflation-adjusted expenditures to decline 3 percent this year from 1981 levels, to $153.9 billion. The drop could be even more severe, Mr. Greenspan warned. Pervasive weakness in metals prices suggests that capital goods markets may remain in the doldrums for some time, and could force further cuts in spending. Although spending will probably bottom out early next year, Mr. Greenspan says the ensuing pickup will be very modest.



Consumer Spending Spurt?

For the rest of the year, retail sales figures, which have remained surprisingly strong, are apt to be among the numbers that economists watch most closely. With business in bad shape, the rate of government spending on the decline, and export markets drying up, a recovery, if it occurs, will be have to be consumer-led.

Thanks to a rebound in auto sales, May's report on retail activity, due this week, is likely to show improvement from a month ago. Even though unemployment keeps rising and interest rates remain high, analysts expect an even sharper increase this summer and fall.

All the fundamentals point to greater consumer spending, says Evan Barrington, an economist at Data Resources. Personal income is rising, debt is manageable, and the July tax cut, which will boost incomes even more, is nearly here. Provided interest rates do not move higher, he said, retail sales, which he projects will rise 6 percent in real terms this quarter, should jump another 9 percent in the third quarter and nearly 6 percent in the fourth. Should rates move up, however, the temptation to save may be too powerful.

Steel's Short-Term Solution

A resolution of sorts to the long dispute over imports of cheap European steel is apparently at hand. The only question, experts say, is when and where it comes: Versailles today or in Washington this week. Either way, for the time being at least, the outcome is likely to please domestic manufacturers, who have sought to limit imports of a broad range of European products.

With the Commerce Department scheduled this week to make a preliminary judgment on whether European producers are violating subsidy codes, an agreement at Versailles would probably sit better with the Europeans.

Kenneth N. Gilpin

For These Bodyguards, Roses

LOS ANGELES

Young, handsome and intoxicated, the gentleman noticed two businesswomen enter his favorite Beverly Hills restaurant and assumed that they would appreciate his overtures. He missed the hint when they ignored him and later complained to the manager. But he got the message when one of the women discreetly revealed the .357-magnum revolver holstered beneath her blazer.

"It worked: He walked right out the door," said Lori Fishburn, 24 years old, who carried the gun because she was on duty — as a bodyguard to the executive beside her.

"He was getting too close to my client," said Miss Fishburn, one of a growing number of female bodyguards accompanying women executives on their climb up the corporate ladder.

Security agencies say that as more women assume high-level executive positions, they are increasingly seeking protection — and want it from other women. Men are also asking for female bodyguards more often because they are less obvious than their male counterparts, the agencies say. Increasingly, they are sending women to guard clients in corporate corridors rather than on shopping trips.

"As women increase in public life, especially in controversial, visible positions, they're going to face the same problems that prominent men do — with the same need for executive protection," said Joe Taylor, a spokesman for Burns International Security Services, based in New York. Like other security agencies, Burns traditionally hired off-duty or retired policewomen to guard the wives and children of oil barons or diplomats.

That is changing. In Los Angeles, requests for female bodyguards are growing so fast that one agency added three women in the last six months to its 10-man full-time staff. And more women are brought on "as needed," said Herman Marx, owner of Personal Protection Services of Beverly Hills.

"There are some very visible, powerful women out there," said Miss Fishburn, who is an unobtrusive 5-foot 7, 146 pounds and can benchpress 160 pounds. Most of her clients are attorneys, bankers or executives with controversial companies, she said. "They get a lot of threats."

At times the clients are men. Miss Fishburn once holstered her weapon beneath an evening wrap when accompanying an executive to dinner with another couple. Some businessmen prefer to attend meetings with a bodyguard who looks more like a secretary than an ex-linebacker.

Prices for Miss Fishburn's service start at about $30 an hour, but vary with the danger and demands of the assignment, Mr. Marx said, adding that Miss Fishburn's annual earnings should exceed $25,000 this year.

C. Nell Henderson

THE WEEK IN BUSINESS

Unemployment Rises Slightly to 9.5%

With 10.5 million people out of work, unemployment rose in May to 9.5 percent, a post-World War II high, the Bureau of Labor Statistics reported. The Reagan Administration said the slight rise, from 9.4 percent in April, proved that the recession was bottoming out. Budget Director David A. Stockman said the economy would stage a recovery in the second half.

●

Sales of the Big Three auto makers rose 10.5 percent in the last 10 days of May, completing the first full month of increasing sales since September. Sales of 569,605 cars were still far short of the pace needed for an 8 million-car sales year, an industry goal. General Motors had the biggest gain — 15.2 percent.

●

Major retail chains reported a revival of sales in May, with Woolworth posting the best gain — 7.5 percent, its largest since April 1981. A 7.2 percent advance by Sears was its highest since last September.

●

A drop of 2.3 percent in orders for new manufactured goods in April from March was reported by the Commerce Department and was seen as a clear sign of continuing recession. In the same period, sales of new single-family houses fell 15.3 percent to a record low of 315,000 units.

●

Cities Service's preemptive $17 a share bid for control of Mesa Petroleum prompted Mesa to make a $50-a-share informal bid for Cities Service.

●

Machine-tool orders rose 11.6 percent in April, the first month-to-month improvement since October, but April shipments fell by 26 percent.

●

The Canadian dollar fell to an all-time low of 79.92 cents against the U.S. dollar, but recovered moderately on support by the Bank of Canada.

●

The Reagan Administration opened talks with China on a possible agreement under which American companies would help develop China's nuclear power industry.

●

United Press International was sold to Media News, a new company, for an undisclosed sum. The Register and Tribune Company said it will merge The Des Moines Tribune into the larger Des Moines Register.

●

International Harvester has financial strength to survive only for the next 60 to 90 days and possibly through the end of its fiscal year Oct. 31, its new chairman, Louis W. Menk, said.

●

Volkswagen of America, which already had about 1,300 workers on indefinite layoff, announced it will lay off 400 salaried workers and speed consolidation of its offices to cut costs.

●

Marine Midland Bank said it had stopped clearing securities transactions of Comark, a Newport Beach, Calif., securities firm dealing in Government bonds, causing speculation on a repetition of the default last month by Drysdale Government Securities.

●

A Federal Trade Commission staff report recommended dropping the agency's three-year-old antitrust complaint against Exxon for its $1.2 billion acquisition of the Reliance Electric Company

●

Chrysler will earn a profit in the second quarter and for 1982, the company's chairman, Lee A. Iacocca, told shareholders. The profit for the year would be the first since 1977.

Brendan Jones

The End of an Era

After a quarter century as South Africa's most powerful corporate figure, Harry F. Oppenheimer (right), said he was stepping down, at age 73, as chairman of the Anglo American Corporation, the huge producer of gold, diamonds and other minerals. But he said hard times require his staying on as chairman of DeBeers Consolidated Mines, which runs the cartel controlling 80 percent of the world's diamonds. In 1957, he succeeded his father, Sir Ernest Oppenheimer, founder of the mining empire; now his son, Nicholas, 36, will become one of two deputy chairmen. Mr. Oppenheimer recommended that Gavin Relly, 56, a key aide and once a Rhodes Scholar, become chairman.



The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED JUNE 2, 1982
(Consolidated)

Company	Sales	Last	Net Chng
Citi Svc	3,847,900	38	+ 1
Mesa Pt	2,653,100	18⅝	+ 1⅛
Wm Cm	2,264,000	46¼	– 1
Halbtn	2,008,100	28¾	– 2
ATT	2,006,900	51⅛	– 1⅜
IBM	1,883,000	60¼	– 1¼
Exxon	1,663,700	27⅞	– ⅛
Schlmb	1,643,300	41	– 2¾
Tanfy	1,637,000	26½	– ⅜
Sony Cp	1,611,900	13¾	– ½
G Mot	1,495,100	43¼	+ ⅜
Digital	1,453,100	71¼	– 4⅛
Mattel	1,405,100	16¾	+ ⅝
AMI	1,251,300	19	– 2⅜
Int TT	1,247,800	23¼	– 1

MARKET DIARY	Last Week	Prev. Week
Advances	563	578
Declines	1,258	1,289
Total Issues	2,076	2,113
New Highs	20	38
New Lows	227	203

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	183,440,630	5,557,273,237
Same Per. 1981	266,933,083	5,242,469,406

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	73.45	71.82	71.82	–1.29
Transp	54.49	53.32	53.32	–0.39
Utils	38.33	37.78	37.78	–0.60
Finance	65.43	63.86	63.86	–1.53
Composite	64.78	63.42	63.42	–1.13

Standard & Poor's

400 Indust	126.2	122.3	122.8	–2.06
20 Transp	17.7	17.1	17.2	–0.13
40 Utils	53.7	52.6	52.8	–0.49
40 Financial	12.9	12.5	12.5	–0.26
500 Stocks	113.0	109.6	110.0	–1.79

Dow Jones

30 Indust	824.3	802.4	804.9	–14.56
20 Transp	326.2	315.6	317.0	– 3.07
15 Utils	111.7	109.5	110.5	– 0.57
65 Comb	322.7	314.2	315.4	– 4.21

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED JUNE 4, 1982
(Consolidated)

Company	Sales	Last	Net Chng
DomeP	1,651,500	5¼	– 1⅛
Kalstad	860,100	24¼	+ 4
GlfCd	845,100	11	– 2
ChmpH	301,700	2¾	+ ¼
HouOTr	296,300	13½	+ ½
PGEptP	267,900	13⅜	+ ⅛
KeyPh	263,000	29½	– 1⅞
IntBknt	247,700	4⅜	– ⅛
FedRes	238,000	⅞	– ⅛
WmC	229,100	15¼	– ½

MARKET DIARY	Last Week	Prev. Week
Advances	231	249
Declines	511	527
Total Issues	909	930
New Highs	15	16
New Lows	68	60

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	13,932,545	456,449,825
Same Per. 1981	35,835,420	623,992,230

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*

ARTHUR OCHS SULZBERGER, *Publisher*

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Yes, There Is a Better Income Tax

As many Americans keep saying, it's a poison in the body politic. Who can respect an income tax system that allows many wealthy citizens to pay little or no tax yet claims close to half the marginal earnings of the middle class? Who can defend a tax code so complicated that even the most educated family needs a professional to decide how much it owes?

Unpopular as it is, however, the income tax system has been remarkably resistant to improvement. President Reagan's tax package will eventually roll back rates to the level of the late 1970's, but it will not simplify the code or rid it of provisions that penalize hard work and reward unproductive investment. No wonder that skeptical politicians rank serious tax reform with gun control and free world trade — as worthy causes unworthy of the time of realists.

The skeptics may yet be proved wrong. The obstacles to reform are no less daunting than they were a decade ago. But Congress is beginning to see that the public's tolerance is not unlimited; disaffection is great, cheating has increased. If any reform has a chance, it is the fresh start proposed by Senator Bradley of New Jersey and Representative Gephardt of Missouri.

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Federal income taxes now claim only 12 percent of all personal income. But the income base that is taxed has been so eroded by exceptions and preferences that the rates on what is left to tax must be kept high. Thus, the tax on an extra dollar of income for a typical family earning $20,000 is 28 percent and progressively higher for the more affluent. The urge for reform, therefore, usually attacks the most egregious exemptions in the code, to exploit popular resentments and to enlarge the tax base.

But a diffused public outrage has been no match for well-funded special interests. So a new generation of reformers aims to rebuild the income tax base from scratch. It hopes to simplify the tax code and sharply lower the marginal tax rates for all.

The most dramatic fresh start, without changing the total amount collected, would be a flat-rate tax levied on a greatly broadened income base. Senator Helms of North Carolina would rid the law of virtually every tax preference and tax all income at about 12 percent. Representative Panetta of California would retain a few preferences and tax at a flat 19 percent. Either approach would greatly improve the efficiency of the system, simplifying calculations and increasing the incentive to earn. But the price of simplicity in such a flat-rate tax is an enormous redistribution of income.

According to the Congressional Budget Office, Mr. Helms's plan would raise the burden on those earning $5,000 to $10,000 by 147 percent — while decreasing the total paid by families in the $100,000 to $200,000 range by 47 percent. Mr. Panetta would fully protect the poor but would still be increasing the burden on middle-income families.

Lacking this radical simplicity, but preserving the present balance of pain, is the Bradley-Gephardt plan. It would continue to permit a few politically sensitive deductions, like home mortgage interest and contributions to charity. But more affluent families would pay a surcharge on these preference items. Also, the marginal tax rate would increase with income, topping out at 28 percent for those earning more than $37,000.

Unlike a flat tax, Bradley-Gephardt would thus not mix tax reform with redistribution: no income class would benefit at the expense of any other. But dozens of tax exemptions would be eliminated; most would pay tax on almost all types of income. The average citizen could thus figure his own taxes and figure that his neighbor was also paying a fair share.

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Neither a flat tax, nor a sophisticated hybrid like Bradley-Gephardt, would be easy to enact. Hardly anyone objects to the idea of simplification; but almost every voter aims to protect a favorite piece of tax-exempt turf. Investors want preferences for capital gains; working parents want deductions for child care; Americans abroad want foreign income exclusions, and so on. All exclusions can find their justification. But by cumulatively narrowing the tax base, all contribute to making the income tax code a disaster.

The issue, then, is whether Congress can muster the vision to look to the common interest. The hurdles are formidable, but so are the potential benefits: a return to fairness and faith in a system that lies at the heart of responsible government.

A Quango for Democracy?

The British have minted a word — quango — which America could now put to good use. Quango stands for *quasi-autonomous nongovernmental* organ, an example being the British Council. Funded by the Government but directed by private citizens, the Council does what bureaucrats are poorly situated to do: decide how much money to give to which groups for overseas cultural tours and talks. It has literally given Shakespeare the great Globe as a stage.

The idea now percolating in Washington is to create a quango to promote democratic values in developing countries and, where possible, in Communist countries. President Reagan is expected to give the idea his formal blessing in a speech this week in London. It is an appealing idea, but before leaping forward, there needs to be some careful looking.

In normal circumstances, it is neither right nor wise to get openly involved in another country's domestic politics. How would Americans feel if Saudi Arabia — or Israel — tried to advance their policies in this country by making campaign contributions to American politicians? But such aid might be right and wise where other outsiders are assisting extremists of the left or right. In those circumstances, strict nonintervention would amount to abandoning our ideological allies.

For precisely that reason, the United States has given surreptitious aid to a variety of democratic parties and publications. But because the aid was covert, its amount has been grossly exaggerated by those determined, for example, to blame American subversion in Chile for the fall of an elected left-wing regime. If exposed, covert aid can leave a legacy of ill will and paranoia far outweighing any imaginable benefits.

Would not overt assistance also be politically fatal? Often, yes, but in the right circumstances, a quango could make open funding acceptable. If aid came from a foundation with genuine autonomy, supervised by a board of respected American and foreign figures, it could be as uncontroversial as that already provided by private foundations. European Socialists and Christian Democrats have, without scandal, given generous help to political allies in the third world.

There's a valuable principle here that needs clear definition. The United States ought to have better methods, say, for countering Cuban and Soviet intervention in Nicaragua. The danger is that some of Mr. Reagan's ideological troops may try to turn the principle into self-defeating chauvinism.

The promise of a well-designed quango is that it would advertise the very values of openness and pluralism that Americans want to promote. The prior task, however, is a careful and public study to insure that it is well designed.

Topics

Whoops

Love on the Wing

Thisbe, Marie Antoinette's spaniel, committed suicide after her death. Caesar, his terrier, marched in Edward VII's funeral procession. But there is little in life or literature that tells of the love of man and bird. Until, that is, a gentleman named George Archibald, president of the International Crane Foundation, met a whooper called Tex.

Tex, who after her naming day was discovered to be female, had a fertility problem. She also, having been imprinted with human society from birth, thought birds were for the birds and not for such as she. So Dr. Archibald, figuring that the courtship ritual of a male whooper might cause Tex to ovulate and thus improve the chances of artificial semination, learned to dance like a lovesick crane.

True, there were other dancers among his staff, but there was something in the way Dr. Archibald waved his arms, something, perhaps, in his leap that caught Tex's eye. This spring, for over a month, he and Tex spent their every daylight hour together. Dancing. Looking for worms. Building a nest. On May 3, Tex laid an egg. Four weeks later, it hatched.

Today the whooping crane population, which is perilously small, is increased by one healthy chick. And the world of photography is enriched by an indelible image: Dr. Archibald, arms outstretched, poised for an entrechat and facing Tex, who is airborne on the wings of love.

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Gulliver's Tale

The author relates several particulars of some Yahoos in the Country of Academe.

Having told me about learning in the land of the Houyhnhnms, my master asked me if all Yahoos were welcome in all colleges. I told him that there was a time when certain schools were the preserves of certain Yahoos. But that many of our leaders said that if we were to achieve the virtue of the Houyhnhnms we could do so only by giving all young Yahoos the same chances. And that we must first make certain that all young Yahoos are equally prepared to take them.

But there are still Yahoos who do not aspire to be Houyhnhnms. Some of them are students at a college named Dartmouth and write for a newspaper called The Dartmouth Review. One of their group is known as Mr. Jones.

Mr. Jones is not happy that his college would like to have more black students. Mr. Jones believes they talk and think funny so he wrote a column for the Review in which he pretended to be one of the funny-thinking, funny-talking Yahoos he imagines they are.

Mr. Jones and his friends think he was being a satirist. A lot of students and faculty say he was being a racist. And I think he was just trying to keep Dartmouth safe for Yahoos like himself.

■

Normalcy

Demonstrators may be denouncing President Reagan this week in Europe. Demonstrators in New York may be preparing for their big nuclear freeze rally next week. Critics of his social policies are already calling attention to the further rise in unemployment, to a 41-year high. But to judge from the sidewalk outside the White House, the times are sufficiently placid to permit protest on a higher plane and lower noise level. A picketer the other day walked back and forth in the June warmth with this sign: "Hypocrisy Stinks."

Letters

Keep East-West Linkage From Becoming Bondage

To the Editor:

Your May 14 editorial "Last Shot at the Siberia Pipeline" correctly points out that the most Washington can hope for at this stage is to "limit the damage" of the project to the Western alliance.

Your proposal for the installation of "dual-burn" equipment and other measures will minimize the specific threat of energy dependence, but these do not address larger questions concerning the advisability of West European economic entanglement with the Soviet bloc.

Today in Western Europe, an "iron triangle" of powerful interests favors strong economic relations with the Soviet bloc. It consists of governments desperate to continue the benefits of détente and maintain domestic employment levels in a time of severe world recession; industries crying for foreign orders in order to stay profitable and competitive in global markets, and financial institutions eager to see their big industrial and East European clients remain solvent.

Despite loud warnings from Washington about the threat of the Siberian pipeline to the security of Western Europe, the Administration was unable to offer these groups a viable alternative.

This coalition of West European interests will not be easily broken — it must be unraveled. Western Europe derives tangible benefits from commerce with the East and is not about to give that up for ephemeral gestures of moral rectitude — particularly when the United States continues its own profitable grain trade.

Yet the increasingly binding economic linkage of Western Europe to the Soviet bloc constitutes both a long-term threat to European freedom of action and a subsidization of the Soviet military economy. As such, it represents an important challenge to America's interests in international security which must be addressed by a consistent U.S. policy.

United States strategy should be designed to wean our European allies from their present dependence on trade with the East. Its primary objective should be to make trade within the industrial West more attractive to the business community than economic relations with the Soviet bloc.

Part of the answer lies in terminating the system of Western government loans, credits and guarantees designed to stimulate East-West trade.

This system has unrealistically reduced the "political risk" to Western business of trade with the bloc. As the current credit crisis of Poland demonstrates, the result was an over-extension of Western capital to Eastern Europe, with divisive effects on allied political unity.

This same financial structure is a key ingredient of the Siberian pipeline project. In place of this now thoroughly discredited structure should be a policy of financial incentives for commercial undertakings that strengthen intra-Western economic interdependence and political cohesion.

Far more important, though, is a vigorous effort by the Reagan Administration to exercise leadership in combating the rising tide of protectionist sentiment here and abroad. As in the 1930's, beggar-thy-neighbor policies will only improve the ability of our adversaries to manipulate and divide the West by astute commercial policies.

Until Washington adopts a consistent and coherent policy toward economic relations with the Eastern bloc, the U.S. will be unprepared for Soviet commercial initiatives and, as in the case of the Yamal pipeline project, doomed to ad hoc reactions and failures of policy.

MARC DEAN MILLOT
Washington, May 19, 1982

The writer is former senior researcher at the Institute on Strategic Trade.

Drinking: What Age the 'Last Carriage'?

To the Editor:

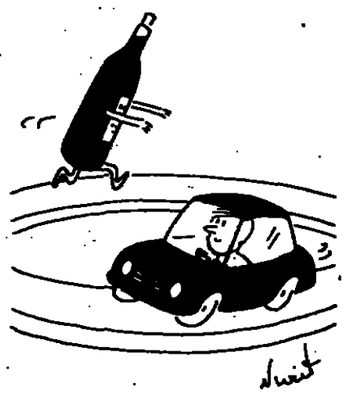
There is some perverse logic in the argument used to justify raising the drinking age in New York State to 19 (news story May 27). It reminds me of the story (apocryphal?) about the commission set up to investigate train collisions and derailments in Belgium. It turned out that most casualties occurred in the last carriage. So the commission recommended that the last carriage be eliminated.

The same faulty logic is being used in the drinking-age case. Assuming that the facts are incontrovertible, it goes like this: (1) car accidents are most frequent among 18-year-old drinking drivers; (2) 18 is when these youngsters reach the legal drinking age; (3) therefore, raising the drinking age to 19 will reduce the rate of car crashes involving 18-year-old drivers.

Right.

But it will always be the first age cohort to reach drinking age that will have the highest rate of casualties. Therefore, saving the lives of 18-year-old youngsters can be equally achieved by lowering the drinking age to 17, since that group would then be the first one to drink, drive and crash at an above-average rate.

The present bill will simply move the highest rate of drunk-driving casualties to 19-year-old people. Later on, this will logically suggest raising the drinking age to 20 — and so on, *ad nauseam*. We'll be endlessly trying to eliminate the "last carriage."



One can only urge a veto of this ill-conceived, if well-intentioned, bill.

JEAN BODDEWYN
New York, May 28, 1982

The Case for Fewer but Less Vulnerable American ICBM's

To the Editor:

I am somewhat mystified by Herbert Scoville's opposition to the plan of President Reagan to reduce nuclear weapons ("Deterring Deterrence," Op-Ed May 23).

The President has proposed — in addition to a first-phase reduction of missiles to a ceiling at least a third below current levels — that in neither the Soviet nor the U.S. arsenal more than one-half of the remaining weapons shall be of the most destabilizing type — intercontinental ballistic missiles. He has also announced that in a second phase we will seek to achieve limits on ballistic missile throw-weight below current U.S. levels.

Mr. Scoville contends that this will not enhance deterrence because, after the Soviets scrap 3,000 ICBM warheads, their remaining 2,500 will have fewer U.S. ICBM's to aim at, and a higher ratio of Soviet warheads to U.S. ICBM's will give the Soviets greater incentive to strike us with a first blow.

However, by assessing the President's proposal strictly on the basis of ratios, Mr. Scoville overlooks one important point: Our ICBM's must in any event be made less vulnerable, and we fully intend to make them less vulnerable.

The Administration has recognized from the outset that no achievable arms control agreement could by itself make our ICBM forces invulnerable. Its approach, therefore, is to lessen their vulnerability through a suitable basing scheme, whether by "dense pack" or by some other method.

Surely we should prefer that the Soviets have only 2,500 ICBM warheads, and not 5,500, to aim at our ICBM's. And given the reduced threat, it should be easier to reduce the vulnerability of 350 U.S. ICBM's — or even the extremely low figure of 200 that Mr. Scoville cites — than it would be to reduce the vulnerability of the 1,000-odd ICBM's we now have.

In sum, once the decision has been made on an appropriate method to lessen the vulnerability of our ICBM's, the ratio argument loses validity.

The Administration's proposal calls for substantially fewer Soviet ICBM warheads and U.S. ICBM's, an outcome one would have thought would please everyone interested in real arms control. This may indeed mean a higher static ratio of Soviet warheads per U.S ICBM, but it would offer the Soviets no advantage if our ICBM's are protected.

Assuring deterrence and enhancing stability is admittedly not a simple problem. Technical analyses must consider the yields, positioning and timing of incoming missiles, whether or not "pin down" tactics are adopted, and whether or not command and control installations are counted in the ratios.

However, adding complexities and a dynamic dimension to the static dimension only serves to bring the ratio argument into question. The simple fact, which bears repeating, is that, instead of having more ICBM's for the Soviets to shoot at, we propose to have fewer such missiles, but they will be less vulnerable to Soviet attack.

Mr. Scoville is also mistaken when he asserts that under Start [strategic arms reduction talks] we would be limited to 12 submarines. Still, it is hard to understand why we should hesitate to reduce our submarine-based missiles, in the interest of arms control, because we fear that the Soviets could more easily find a smaller number of submarines.

Our submarines are much quieter than those of the Soviets, and our clear lead in submarine and antisubmarine warfare technology gives us reason to believe that we can, for the foreseeable future, keep our submarines at sea from being targeted.

This confidence is enhanced by the vastly larger patrol area available to the Trident submarine, which will increase even more when the Trident II missile with its greater range becomes operational late in the decade.

The President's proposal for substantial reductions of weapons should not be side-tracked by arguments based on hypothetical ratios. The strategic balance at lower numbers of weapons on both sides will not be less stable if we take steps to reduce the risks to our weapons systems.

And reducing the numbers of weapons on both sides — not allowing them to grow or even to remain at current high levels — will reduce the risk of nuclear warfare.

E. L. ROWNY
Washington, May 28, 1982

The writer, U.S. chief arms control negotiator, is chairman of the U.S. delegation to Start.

Liberals Stuck In an Anti-Deficit Trap

To the Editor:

The Times's May 27 editorial about alternative House budget proposals ["The House vs. the Poor"] illustrates the dilemma liberals have created by attacking Federal deficits.

Instead of recognizing that near-term deficits are appropriate in an economy with record-high unemployment and low-capacity utilization, you accept the faulty notion that deficits are the cause and not the result of today's recession.

In fact, even the 1984-85 deficits are needed to stimulate an economy whose *actual* output will remain far short of *potential* output. (The Congressional Budget Office forecasts that unemployment will still be 7 percent by late 1985.)

Falling into the anti-deficit trap has forced liberals to advocate large tax increases and restraint on defense spending just to slow the cuts in programs like food stamps, Aid to Families with Dependent Children and job training. By making cuts in Reagan budget deficits the priority, liberals have abandoned their traditional support for full employment policies and weakened their ability to sustain social programs.

ROBERT I. LERMAN
Waltham, Mass., May 27, 1982

India's Belated Claims

To the Editor:

Your May 18 news dispatch about border talks between China and India gave a clear impression that the territorial dispute between them originated with the border war of 1962 and that the disputed territory in Ladakh, which China now controls, was captured in that war.

As detailed accounts, including those of the Indian Government, verify, this impression is inaccurate. Most of the disputed territory in Ladakh was already under Chinese control before the '62 war. Much of it, indeed, had never been controlled by India. This is why, when the Chinese began moving in in the 1950's, and built a highway, India did not notice for several years.

China would probably accept a settlement that simply gave to each side the territory it controlled at the beginning of 1962, shortly before the outbreak of the war.

EDWIN E. MOISE
Assistant Professor of History
Clemson University
Clemson, S.C., May 19, 1982

Dodging Around On Ebbets Field

To the Editor:

In the interest of diplomacy — and accuracy — might I suggest that both Dean John P. Roche (letter May 30) and George Vecsey (Sports of The Times May 20) are correct.

Through a decade and a half I watched Dixie Walker and Carl Furillo expertly handle fly balls and line drives hit off the right-field barrier in Ebbets Field. Each would judge whether the ball would hit the upper or lower half of the barrier. They'd play close to it if they thought the ball hit above the halfway mark because the *chain-link-style screen* would make it drop almost straight down.

If, however, they believed it would hit the lower portion, they'd position themselves about halfway to the infield, because the ball, hitting the *concrete wall*, would carom back there.

Yes, the right-field barrier was a hybrid: half screen and half concrete wall.

JOHN F. SAELI
Pearl River, N.Y., May 31, 1982

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

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Haig's Palestine

By Walid Khalidi

CAMBRIDGE, Mass. — Secretary of State Alexander M. Haig Jr.'s first major pronouncement on the Palestine problem, on May 27 before the Chicago Council on Foreign Relations, came as a heavy blow to moderate observers of the Middle East scene. No one can quarrel with the "just, comprehensive, durable" peace that Mr. Haig says he seeks, but neither his route nor tactics will take us to his destination. And the glimpses one catches between his lines do not point to his declared objective.

Mr. Haig emphasizes that autonomy *is transitional* and not to be equated with the "final outcome." But the contours of the outcome in mind are, nevertheless, discernible. Mr. Haig does not, for example, expressly rule out a two-state solution, based on peaceful coexistence, west of the Jordan River, but there has been, we are told, "misunderstanding" of the objective of the autonomy talks. And immediately subsumed under this rubric is Israel's fear *that the talks would* "go too far" and end in a Palestinian state. The principle that the talks will reflect is "self-government by the inhabitants." This sounds innocent enough, until we remember that the implied contrast is between "inhabitants" and "territory," and note the absence of any mention of "self-determination." At the same time, Mr. Haig stresses that there is "ample opportunity" for Jordan to participate in the negotiations and that one of their objectives is a peace treaty between Israel and Jordan. These hieroglyphics translate into a rejection of the *two-state solution*, on which there is an Arab consensus, including the moderate P.L.O. leadership.

Mr. Haig's route confirms this analysis. Camp David is the only "practical route" to peace. No other plan provides similar "movement." So carried away is Mr. Haig that he commits a monumental *faux pas*. He sees "the genius" of Camp David in that it allows "progress" while "crucial issues" such as Jerusalem remain unresolved. This will inevitably generate the Arab and Moslem accusation that Camp David is good for Mr. Haig because it bypasses Jerusalem.

Certainly, the Egyptian-Israeli treaty will remain an important building block in future negotiations but why human ingenuity should be so utterly drained by Camp David is not self-evident. It is the direction and cost of "movement" and "progress" that matter, not their mere occurrence.

Secretary Haig's chosen tactics also confirm this analysis. There is a repetition of the somnambulant position of prior and unilateral recognition of Israel by the P.L.O. This comes by way of explaining Washington's quest for genuine, unambiguous peace. This is unfair, because, if the P.L.O.'s nonrecognition of Israel is an obstacle to peace, so is Israel's nonrecognition of the P.L.O. It is unrealistic; because you cannot ask only one of the two adversaries to concede. The Camp David straitjacket is most apparent here. It absolves the United States, Israel and, ironically, the P.L.O. from exploring a potential breakthrough: an Israeli-P.L.O. formula based on simultaneous and reciprocal recognition.

Mr. Haig sounds threatening when addressing the Palestinians of the occupied territories. Their refusal to participate on his terms "risks the loss of their best chance" for peace. He also assures them that they will get a "freely elected self-governing authority." What else besides sad smiles could this elicit from the banished, dismissed, maimed and freely elected Palestinian mayors and their constituencies?

Secretary Haig's hope (or is it expectation?) is that Syria will join the Camp David process. But his "carrots" are of strange hue. He makes no reference to the Golan Heights. He raps Syria on the knuckles by singling it out for destabilizing Lebanon. And there are all those coquettish references to Jordan.

There is neither hope nor expectation regarding the Soviet Union. The sole reference to Moscow is in the context of Israeli fears of increased Soviet influence through the Palestinian state.

Jordan and Egypt are the countries Mr. Haig is betting on. The same unwarranted, vintage expectation persists: that Jordan will detach itself from the Arab consensus on Camp David. As for Egypt, it would be well to distinguish between its reincorporation within the system of Arab states and its catalytic potential regarding resolution of the Palestine problem.

Mr. Haig is most arresting in his handling of Israel. We learn that Prime Minister Menachem Begin has all along been aiming at solving the Palestine problem in "all" its aspects. With exquisite delicacy, a reference to "settlements" is separated from a reference to "unilateral actions" by five paragraphs. The settlements are seen as "exacerbating" Palestinian fears when their continued proliferation is fast removing the very physical basis of a peaceful outcome. The sentence on Jerusalem is insulated from that on "unilateral actions." But, then, the bypassing of Jerusalem (and the Palestine problem?) are the saving grace of Camp David.

If I were Menachem Begin, I would be chuckling in my dreams.

Walid Khalidi, professor of political studies at the American University, in Beirut, Lebanon, is a fellow of the Center for Middle Eastern Studies, at Harvard University.



Rembrandt van Rijn

A Nation Of Readers?

By Daniel J. Boorstin

WASHINGTON — If we can become a nation of readers, we will find refuge from the narrowing biases of our time.

First, the *bias of presentism*. Modern communications, from the telegraph and telephone to television, have increased the emphasis of our daily experience on the recent and present — on news scoops and newsbreaks, on the latest words and images. Most of what we learn from day to day is certified by its immediacy. We learn more and more before it can be put into print, and even before anyone has reflected on whether *it is worth knowing. By the time it* reaches print, it is often obsolete or obviously false.

This is an old story in our country. From colonial times — when the current and the useful, almanacs, the latest laws and newspapers and pamphlets and how-to-do-it manuals dominated the presses — through the many decades of the postal rates that have almost always preferred newspapers and magazines to books — American institutions have been biased toward the recent and the up-to-date, toward information rather than knowledge. This bias of American printed matter was exploited by the gargantuan enterprise and spectacular growth of daily newspapers in the 19th century. It has been reinforced a hundredfold by the rising electronic media. A nation of watchers has its eyes focused on yesterday and today. Even our entertainment is no longer tragedy or comedy but situations that squeeze tears or laughter from the *quagmires of this* very moment. But book readers have a window to the whole past. Every book has roots at least six months old. The full stock of all past books is available without special programming or artificially energized, obsolescing machinery. Every book reader can find momentary refuge from the present.

Second, the bias of publicity. We are dominated by public images and publicly spoken words. Public utterances are more numerous, more frequent — and more public — than ever before. Sunshine laws make private conferences of our highest officials a new kind of public word. When the President and Secretary of State have a private conversation, it appears verbatim in the newspapers. The public word and the public speaker reach us vividly and continually, impelled by large expenditures of capital and vast organizations, on channels regulated from within and without. More than ever, each of us needs a private island where each of us does his own programming, and where only one person, each of us, is sovereign.

Third, the bias of statistics. Not the least of the special charms for a reader today is refuge from the quantifiable. Of course we have best sellers, but who can say what books really are the best read? While the TV audience is increasingly Nielsen-rated, the reader and his ways remain delightfully secret and mysterious. We have heard the boast that on one evening of John Gielgud's "Hamlet" on TV, more people saw Shakespeare's play than all the audiences together since 1604. But who can count "Hamlet" readers? The gross national product and statistics of consumption can tell us about cars and appliances and cigarettes but very little about reading. A book read is not consumed. And surely some of the best-read books do not enter into this year's or last year's publishing figures. The reader continues to "consume" models from the horse-and-buggy days or before, from the Model-T era, or from last year. For each of us, reading *remains* a private, iniquely qualitative nook of our life. As readers, then, we are refugees from the flood of contemporaneous mathematicized homogeneity. With a book, we are at home with ourselves.

To have the benefits of a nation of readers, we must have citizens who can read. Our first assignment is not to allow the published electronic image or the public word to deter us in the primary effort of our education. We must raise citizens qualified to choose their experience for themselves, from books past and present, and so secure the independence that only the reader can enjoy.

When we think of the role of words in our political life, prominent in our *minds are famous utterances* — Burke's Speech on Conciliation, Patrick Henry's "Give me liberty or give me death," Webster's Reply to Hayne, Lincoln's Gettysburg Address, Bryan's "Cross of Gold" and Franklin D. Roosevelt's "We have nothing to fear but fear itself." Representative government, universal suffrage and a host of technological forces have focused our political interest on the public speaker.

The *Capitol*, across the street from the Library of Congress, has reverberated with many of the nation's great public utterances. It is symbolically appropriate, and even necessary, on Capitol Hill that we find two grand buildings, one a temple of the spoken word, another a temple of the read word. One is a symbol of the publicity essential to a free government, the other a symbol of the privacy essential to a free people.

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Daniel J. Boorstin, a historian, is the Librarian of Congress.

WASHINGTON

The Other Summit

By James Reston

WASHINGTON, June 5 — By an odd coincidence in recent days, there have been two summit meetings in Europe — one temporal, among the political leaders of the industrial world, and the other spiritual, between the Pope of Rome and the Protestant leaders of Britain — both at the climax of the wars between Britain and Argentina and between Iran and Iraq.

It may be that the religious summit will seem more important as time goes by, for it dealt, not with interest rates and world trade, but with the common interests of mankind in peace, and it was in itself a symbol of the possibility of reconciliation between ancient enemies.

We are living in an age of clashing nations, even within the Western world, all dominated by a vast and seemingly irreconcilable conflict between two mutually hostile systems — *Communism* versus capitalism, dictatorship versus democracy.

Yet the visit of John Paul II in Britain, the first by any Pope of Rome, is a reminder that even the most fundamental conflicts of life are subject to the principle of toleration.

The reaction of the British people last week to the Pope's visit and his message is interesting and may be significant. They turned out to see him as if he were predicting the outcome of the World Cup soccer championship. This might have been expected in England, where the established church is closer to Rome, but that the Scots, who used to sing "King William slew the Papish crew at the Battle of Boyne Water," should have turned out 300,000 people in Glasgow, of all places, to welcome the Pope, tells us something about the longing for peace and reconciliation.

The Pope did not avoid the problem of the war over the Falklands. "Let us remember," he said, "those who have died in the conflicts throughout the world, in the conflict in the South Atlantic, in the conflict between Iran and Iraq, in every place where human blood is shed. . . . I came here to proclaim a gospel of peace."

His point is clear, and applies not only to the end of the religious wars of past centuries, but also to the lessons of history in the present century. At the beginning of the century, the tension between Britain and France was perhaps the greatest threat to peace in Europe, but within a generation, these two countries, alarmed by the rise of German power, had formed an alliance.

It would be surprising if the Pope's message, and particularly the enthusiastic reception to it in Britain, would not have had some effect on the British Government's decisions about how to bring an end to the war with Argentina.

The Pope appealed for generosity and mercy, and the Secretary General of the United Nations, Javier Pérez de Cuéllar, is doing the same. He is appealing to the leaders at the political summit at Versailles to work for a compromise in the Falklands war in order to avoid a bloody fight at the end.

The Secretary General says he has "failed" to negotiate a compromise settlement, but this may not be quite true. He is in touch, even now, not only with the leaders of the United States, Britain, France and Germany at the economic summit but also with the Vatican. He is arguing that, with their help, it may still be possible to postpone a decisive battle for Stanley until the Pope gets to Argentina with his appeals for a peaceful negotiated settlement.

The Secretary General's view, as I understand it after a talk with him at the United Nations, is that the British in the next few days might allow the Argentines to withdraw some of their troops without British resistance, and while insisting on a total Argentine withdrawal from the islands, make a token withdrawal of some of the British troops, to avoid a humiliating surrender by the junta in Buenos Aires.

The Pope is also urging this resolution of the conflict. "Today," he said, "the scale and the horror of modern war — whether nuclear or not — makes it totally unacceptable as a means of settling differences between nations. . . . In the course of justice, none of us should seek salvation. We should pray for mercy. And that same prayer should teach all of us to render the deeds of mercy."

And the crowds in Britain that heard this message seemed to agree. The Protestant Archbishop of Westminster said the Pope had brought about a reconciliation of ancient hostilities and had provided a charter for the future.

On one of his last stops in Wales, the Pope saw a large sign carried by *some youngsters in the crowd*. It said: "Take our love to the youth of Argentina." At the same time, the Welsh choir serenaded him with the old song: "You'll Never Walk Alone."

"I am deeply moved," the Pope said, "I have the best memories."

FOREIGN AFFAIRS

Money and Missiles

By Flora Lewis

VERSAILLES, France, June 5 — As usual, pressures for a good report card to take home are working on the seven summit leaders here.

No doubt they will agree. The question is whether fine phrases merely blur flatly contradictory *contentions*, or whether lack of substantive new decisions hides real movement for which domestic politics aren't yet prepared.

My hunch is that this time the second possibility is nearer the truth and that, with hindsight, Versailles will mark something of a turning point in the long deterioration of Western relations at a time of general economic crisis. Even if the summiteers haven't yet gone very far, a change of direction — from every country deciding on *its own to an acceptance* that the West's security depends on more cooperative economic measures as much as on joint defense — makes a big difference.

In a deep sense, money and missiles are linked, not only because arms are *expensive* but because Western cohesion by its nature depends on general belief by each partner that the others understand its pressing needs.

The Reagan Administration started with the thesis that there could be no trade-off, that the allies should line up behind its tough approach to the Soviet Union but that the role of the dollar was something else, none of their business.

In specific Versailles terms, that means limiting trade with the East and Washington's help to stabilize the international monetary system. The missiles are a matter for the NATO states next week. But the main players are the same, with the same personalities and theories, and they will be acting in the same world climate.

That's the operating factor. The dangers of drift are now acutely perceived. Last year in Ottawa, the majority *of government* heads were new, and each came to the summit meeting full of deep conviction that he had the right answer to the West's problems.

The remarkable parallel in the development of conservative President Ronald Reagan and France's Socialist President François Mitterrand from opposite starting points reflects the way responsibility has eroded rigid formulas. Neither has scored a brilliant success in healing his own country's ills. Each has come to appreciate the need for outside support.

The ease of their personal relations is even more surprising, because they are just as contrasting human beings as ideologues. Where Mr. Reagan is athletic, Mr. Mitterrand is literary and artistic; where Mr. Reagan is simple, gregarious and open, Mr. Mitterrand is complex, reserved and secretive.

But both spent a long time on the feisty climb to the top. Both know deep down that they were elected less by their own magnetic aura of leadership than by the rejection of their opponents. Both are keenly *sensitive to the shifting political* breeze. And both have sharp-eyed critics among those who brought them to power — people on Mr. Reagan's right and Mr. Mitterrand's left are ready to screech if the leaders seem to be wavering from the path of true religion.

There are signs that the Mitterrand Government is pulling back from its inflationary idea that more government spending, more money in consumers' hands would trigger investment to produce jobs and recovery, a kind of inverted supply-side theory. The approved word now is "rigor," not despised austerity, but an admission that the pace has to *change*. No need to go on about the conspicuous absence of the boom which U.S. supply-siders heralded. Neither President Reagan nor President Mitterrand admits to any need to shift, but the two governments do keep stressing a need for "convergence" in world economic policies and monetary stability.

On military issues, Mr. Reagan has moved from bellicose talk about *the need to show the Russians who's* on top before negotiating, to a series of proposals on arms control and an invitation to the Soviets' Leonid Brezhnev. Mr. Mitterrand has moved from double denunciation of the superpower blocs to growing cooperation with NATO, still refusing to join the allied command but making its strength a prerequisite for warming his own relations with Moscow.

These sidles away from rousing campaign slogans are not what either leader likes to advertise. Nobody wants to admit he hasn't as firm a grip on how to run things as he thought. But they are encouraging signs that the real world is exacting its due from the theoreticians.

The next step will be sorting out ambiguous promises made here on the home front, confronting adamant advisers who still want to snatch back in deed the concessions made in words. Western strength, in terms of both money and security, would be the loser.

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Arts & Leisure

At the Dawn of Manned Space Flight



Actors and crew at work on the film adaptation of Tom Wolfe's book "The Right Stuff"

By AUDIE BOCK

HAMILTON AIR FORCE BASE, CALIF.

An imposing multiple gateway yawns open, guardless. The driveway, lined with squat, thick-crowned old palm trees, curves lazily past large blocks of buildings painted a creamy military hue. Surrounding them are overlush lawns, the recent floodgauge Northern California rains pushing their seedy tips into a waist-deep jungle. A filling station sign sports the elongated lettering that immediately recalls late 1950's graphic design. No one walks the street, and the classic Chevy Bel Aires and Studebakers one would almost expect to roll by fail to materialize.

A closer look reveals that many windows are broken or boarded over, and as the outlying aircraft hangars come into view, the roads and sidewalks bear those same waist-high grasses growing up through cracks in the asphalt and concrete. Hamilton lies deserted, a ghost of the cold war, built about the time the Soviets launched the satellite that started the space race, Sputnik I, in October 1957.

Inside one of the abandoned hangars at the end of a weedy road, Philip Kaufman ("Invasion of the Body Snatchers," "The Wanderers," "White Dawn") is directing his film adaptation, for spring 1983 release, of Tom Wolfe's best-selling 1979 book, "The Right Stuff."

Audie Bock's most recent publication is a translation of the Japanese film director Akira Kurosawa's memoirs, "Something Like an Autobiography" (Aifred A. Knopf).

The book reveals the engrossing behind-the-scenes story of the first American astronauts and what inspired them to put their lives on the line in competition with the Soviets when "*our* rockets always blow up."

"The Right Stuff," which Mr. Wolfe defines as "the uncritical willingness to face danger," carries with it many other attributes that Mr. Kaufman seeks to portray visually. "Tom Wolfe has an amazing talent for finding something outside of the urban centers that sparks America and defines its spirit," he says. " 'The Right Stuff' is about heroes, but it's about people who don't know they're heroes. They're people who are working hard at their jobs and trying to do them right. This isn't about sport, it's about a job of life and death."

A huge replica of the first Project Mercury space capsule, somewhat resembling a giant smoker oven, lurches and creaks forward, suspended from a belt on the ceiling of the hangar. America's first seven astronauts, played by Scott Glenn (Alan Shepard), Charles Frank (Scott Carpenter), Ed Harris (John Glenn), Lance Henriksen (Wally Schirra), Scott Paulin (Deke Slayton), Dennis Quaid (Gordo Cooper) and Fred Ward (Gus Grissom), confront the first vehicle that will be propelled by a hastily modified Redstone rocket and catapult one of them into outer space in 1961.

Seven German scientists, led by the San Francisco actor Scott Beach as Werner von Braun, stand aside and smilingly await their praise for the capsule design. The astronauts, all clothed in their gleaming silver pressure suits, go over the capsule, banging on it, pushing and poking it, circling around it. Instead of the expected approval, the German scientists are assailed with a barrage of demands for modifications. The astronauts have had enough of being "lab rats" and "Spam in a can."

This is part of what Tom Wolfe's book sets out to show about the real feelings of the men and women behind a candy-coated, apple-pied image created at the time by the exclusive coverage of Project Mercury in Life magazine.

In this scene from the film, the astronauts' ears are still burning from statements made by the heroes' hero, the "fighter jock" pilot Chuck Yaeger. As an Air Force captain, Chuck Yaeger had been the first man to break the sound barrier in the Bell X-1 in 1947. Prior to that, he had shot down 13 enemy planes in World War II, was shot down himself and escaped to return to his unit. And ever since, he has continued to distinguish himself in peacetime as a "single combat warrior" testing rocket planes for the Air Force. The baffled press had not played it up, but Chuck Yaeger had emphasized the role of the astronauts as mere test subjects — "a monkey's gonna make the first flight," and he had said the truly unthinkable: "There won't be any flying to do in Project Mercury."

Each astronaut reels off another demand. They want a window, an escape hatch with explosive bolts, they want thrusters to control the pitch and yaw (rotation on the vertical axis), they want the space capsule to be called a "spacecraft," and they want themselves to be called "pilots," not "passengers."

The German scientists balk, but the astronauts are already learning the usefulness of the media. They impress upon the scientists that the Government might not be too happy with a "Spam in a can" description of their role, and that Government funding is what keeps the whole project going. The astronauts are finding a way to make the press image of them as "the greatest pilots and the bravest men in America" come true.

Outside the hangar lurks a gaggle of characters in baggy black trousers, narrow ties, bent felt hats and wraparound black sunglassees. Ready to pounce whether on or off screen, these are what Tom Wolfe variously calls "the Victorian gentlemen" and the "genteel beast," and what the film production office calls "the permanent press" corps — in real life the Bologna Brothers, a San Francisco comedy group. In Mr. Wolfe's book, the press makes heroes of the astronauts before they have had a chance to do anything but a press conference, immediately characterizing all of them as ace pilots with all the Mom and apple pie virtues they observe in the most articulate among them, John Glenn.

"The press is very important in this story, because the press is the singer of the song, the maker of the myth of the heroes," explains Mr. Kaufman, who is using the Bologna Brothers as a satirical commentary on the predatory nature of the press. "Often they don't sing the song the right way, or they sing the wrong song. A great deal of my interest in this film and in Tom Wolfe's book lies in the secret story, the unsung heroes."

The archetype of the unsung hero is the same Chuck Yaeger who made those less than flattering remarks about the Mercury space program. In Mr. Wolfe's book, his lazy West Virginia "aw shucks" manner and his outrageous understatement as he carried out his death-defying duties as a test pilot, set the standard for his fighter jock colleagues, for every commercial airline pilot in the country, and for the astronauts themselves.

Fifty percent of the experts on supersonic flight gave him zero chance of surviving the sound barrier, but as he hit the jarring speed of Mach .96 his words were, "had a mild buffet there. . . Jes' the usual instability. . ." Yet when Chuck Yaeger sailed through the sound barrier, exceeding the speed of Mach 1 for the first time in history and regaining stability, nobody heard about it. The news traveled only among the "brotherhood" of fighter jocks because the Air Force clamped a lid of secrecy on his achievement, and Chuck Yaeger went right on defying death for $283 a month.

The real retired Gen. Chuck Yaeger is serving as a consultant to the film "The Right Stuff," in which he is played by the playwright Sam Shepard, who had major acting roles in the films "Resurrection," "Raggedy Man," and "Days of Heaven." The general's aid is invaluable, according to Mr. Kaufman, because "he not only facilitates our access to the Air Force so that we can film in places like Hamilton Air Force Base and use their planes, equipment and personnel, but he spends a lot of time with the actors on and off the set. He tells them what those days were like, and they're all getting a real sense of what it means to portray 'fighter jocks' through him."

The actor Charles Frank (astronaut Scott Carpenter) gives an example: "We ask him what he was feeling and thinking when he had to bail out of the NF-104 in 1963 with his face and hand on fire, and his answer was just 'how to get back on the ground.' " The indefatigable General Yaeger will also do some of the jet flying in the film.

Although the support of the armed services is both welcome and necesary to the making of "The Right Stuff," Mr. Kaufman hastens to deny any pro-military content to the film. "This is a movie about getting into outer space," he says. "The astronauts were from various branches of the service, but they worked for NASA, which is a civilian organization. In fact, the concentration on the space race during the period this film covers, mainly about 1957 to 1963, diverted people's attention from killing each other."

Producer Robert Chartoff, responsible with his partner, Irwin Winkler, for the "Rocky" cycle, "Raging Bull" and "Point Blank," elaborates on the development of "The Right Stuff" project. "Tom Wolfe is an old friend of ours — he wrote his first script for us, 'Girl of the Year,' 15 years ago. When another friend, John Boorman ["Point Blank," "Excalibur"] gave me a copy of 'The Right Stuff' I immediately saw a movie in it. We were surprised that the major studios gave us very little competition for the rights. Tom has been helpful all the way along, and we are enjoying working with Phil Kaufman for the first time. Most of our films are with 'repeaters' but we've always liked Phil's choices. When we finally met and talked with him, we knew his ideas coincided with ours."

British Film Has New Vigor

By MERIDA WELLES

LONDON

The American Academy Awards collected by British films in Hollywood this year have infused the British film business with a promising vigor. But it is uncertain whether the industry will burst into renewed productivity and success, reminiscent of its heyday in the 1940's, or collapse altogether from lack of funding. The mood here is optimistic, but very cautious.

Much depends on the outcome of several movies nearing release. Perhaps the most critical test of the industry's future will be Richard Attenborough's $22 million epic, "Gandhi," scheduled for release on three continents this November. Also crucial will be "Local Hero," produced by the Oscar-winner David Puttnam, and directed by William Forsyth, the Scot who recently won a British Academy of Film and Television Award for "Gregory's Girl." Alan Parker's "The Wall," a rock movie coming out in July, is yet another British hopeful.

The acceptance of three British movies by this year's Cannes Film Festival also contributed to the spirit of optimism, particularly since only two years ago, not one British film represented the country — the first time in 33 years. This year's competitors were the $4 million satirical comedy "Britannia Hospital," directed by the quintessentially British filmmaker, Lindsay Anderson, for the country's major production company, EMI Films Ltd, part of Thorn-EMI; the low-budget "Moonlighting," made by another of Britain's leading directors, Mark Shivas, and the independent producer, Michael White, and "Return of the Soldier," produced by Ann Skinner and Simon Ralph for Brent Walker Ltd.

Even if these British films are released in an atmosphere warmed by the Oscar victories and by the success of other recent British movies, such as "The Elephant Man" and "The French Lieutenant's Woman," there is no doubt that conditions ahead remain unpredictable, if not treacherous. Few in the business expect that fine-quality filming alone will revitalize an industry starved of indigenous financial support and plagued by other difficulties.

"The Oscars have concentrated people's minds on the talented people making films here," said Clive Parsons, an independent producer, "but economically speaking, things are just as hard now."

The managing director of the National Film Financing Corporation, set up by the British Government in 1949 as a kind of bank for filmmakers, put it more succinctly. "We have been abandoned," said Saudi-born Mamoun Hassan. In 1950 the corporation helped finance 62 movies to the tune of £3.7 million. Thirty years later, it was helping to make only two films — with a mere £278,855.

Combined with what many believe is the inadequacy of government support, the reticence of corporate and private investors to put money into a high-risk, but potentially high-profit industry remains a stubborn obstacle.

David Puttnam's failure to arouse any British financial support for the production of the hugely successful "Chariots of Fire" was downright embarrassing. His film was deemed here too British in nature, too specialized in sport, and lacking in star-quality actors. After numerous potential investors had refused him, Mr. Puttnam turned for the $5 million-plus to 20th Century-Fox and an independent film company, Allied Stars, run by an Egyptian businessman, Dodi Fayed.

Equally dispiriting has been the inability of the movie-funding company, Goldcrest Films and Television, to raise in six months any more than half of its target of $22 million from London's businesses and banks.

The Rank Organization's withdrawl from feature production two years ago, after a commercially unsuccessful re-entry, has no doubt frightened some possible investors away.

Just as damaging to public confidance in the film industry has been the string of flop movies, culminating in "Raise the Titanic," which were produced by Associated Communications Corporation, the entertainment empire founded by the movie magnate Lew Grade, who was recently deposed as chairman after a bizarre takeover battle.

The British Government, which recently halved to 15 out of every 100 the quota of British movies shown in Britain, seems reluctant to bail out yet another beleaguered British industry. Two years ago it cut off further direct funding of the National Film Finance Corporation, which must now rely on its own investment income and on an annual $2.7 million guaranteed for the next five years from a tax, the Eady Levy, on box-office takings, one-twelfth of which is recycled into the film industry by law. Because of its now limited funds, the corporation seldom invests more than a modest $1 million per picture.

> 'The Oscars have concentrated people's minds on the talented people making films here.'

Five reports to British Parliament by a committee headed by the former Prime Minister Sir Harold Wilson have recognized the severe problems facing filmmakers, but their recommendations have largely been ignored by the past two governments. Few producers expect that any of the committee's suggestions, which include the establishment of a British Film Authority to represent the industry's interests and a far greater financial support for commercial films by the newer media, such as cable and satellite television, will prod the government into taking further supportive action.

Ironically, one government venture to bolster the country's own film business has served instead to benefit overseas producers. In 1979 a tax law was introduced to allow owners of a film negative to treat it as plant, attracting 100 percent capital depreciation in the first year of distribution. While few British companies, many suffering from the country's severe recession, have had the opportunity so far to use the concession, a number of American producers have arranged with British financiers lucrative deals pegged to the tax write-off. Hundreds of millions of pounds are estimated to have qualified for this form of capital depreciation.

Foremost in the group was Paramount's $33.5 million "Reds," directed by Warren Beatty. Under a complex tax-leasing arrangement, a subsidiary of Barclays Bank now owns the film but leases it back to Paramount, which has the distribution rights.

The tax concession, which one expert described as desperately important for British producers, is now being amended. If kept intact for Britons, as is expected for at least two years, the tax law will, it is hoped, promote the industry's revival. However, while the government's aim is to prevent foreigners from taking advantage of a tax concession aimed at Britons, it does not wish to deter foreigners from using British facilities.

For many years, Americans have packed British film studios, to benefit from excellent technical expertise, lower labor costs, and sometimes favorable exchange rates. Last year, more than half of the 252 major films registered in Britain were American. Only 32, just over one tenth, were British. (To qualify as a British movie, the filmmaker, studio, and 75 percent of labor costs must be British).

In many ways, America hovers like a wealthy and domineering patron over British talent. Britain depends heavily not only on American spending in its facilities but also on its investment in British films. As one expert commented:

"American companies are better equipped to take entrepreneurial risks than we are — they have worldwide distribution, a bigger market place, and are better equipped in terms of manpower."

Technically British films like "Superman," "Star Wars," and "The Empire Strikes Back," all made in British studios by British technicians, were financed by the United States, where, to the chagrin of many Britons, most profits return.

"We are very grateful for American finance," said Kenneth Maidment, president of the British Film and Television Producers Association, "but we're desparately keen to encourage British investment."

America's sway over the British film industry's fate has extended in other directions. Since few British films ever recoup expenses solely from this country's declining audiences, British producers must seek viewers in the United States, the source of over 50 percent of the world film market. For that reason, many filmmakers, including Britain's own major production companies, have traditionally been reluctant to display scenes about contemporary British culture, which might prove too parochial for American tastes, and have opted instead for high-budget, American-style pictures. While some movies, such as the special effects "Star Wars" series and "Raiders of the Lost Ark," have proved successful, others like EMI's "Honky Tonk Freeway," and Lord Grade's "Raise the Titanic," have proved commercially disastrous and have provoked some resentment.

Some now argue that films such as "Chariots of Fire," which portray this country's spirit and culture, are the key to success.

Although it is widely conceded that any British film must cater to a wider market than its own, films of a truly British flavor seem to be in the ascendant in this country. One example is "Gregory's Girl," an award-winning movie about the romantic antics of a Scottish schoolboy which opened to excellent reviews in New York last month. Also thoroughly British, Barry Hanson's gangster movie "The Long Good Friday" earlier achieved critical acclaim in the United States.



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Summer time saga

By JEFFREY HELLER/Jerusalem Post Reporter



The protagonists: Ze'ev Segal (left), Yosef Burg

THE MAN who two years ago forced the government to move the clocks forward by one hour points to the fluorescent lamp on his desk as an example of his obsession with waste.

"I'm using a 15-watt lamp, instead of the 40-watt bulb on the ceiling," Ze'ev Segal says with pride. "Efficiency is in my blood."

Segal, a 68-year-old consulting engineer, sits in his Ramat Gan study amid neatly kept boxes of files containing hundreds of documents attesting to his fight for daylight saving time.

"Less than 1 per cent of our fuel is Israeli, and with so much imported each year — costing $2.25b. to $2.5b. — any saving is of the utmost importance," he says.

Segal pulls out charts, letters and reports to support his case. The former RAF squadron leader has a barrage of figures — the saga, as it were, of summer time.

In 1980, the High Court of Justice ruled that the interior minister could adjust the length of daylight saving time, but not cancel it completely. The ruling was based on a World War II Mandatory law, stating that "on the date which the High Commissioner may decide, the clock is to be forwarded one hour."

The Jewish State adopted the Mandatory law, and Israeli clocks, like those in most of the world, were moved ahead by an hour, and at times, by two, until 1958.

Growing opposition to the measure came from the religiously observant population. The critics maintained that with daylight saving, Orthodox Jews did not have enough time for prayers before going to work. (With clocks set forward an hour, there is that much less time between sunrise and the start of the working day for the saying of *shaharit*.

In the first years of the state, daylight saving was introduced too early in the year, says Segal. "That's how the antagonism began, and each year the general religious view became more and more adamantly against summer time."

Segal produces a graph charting the time of sunrise in Jerusalem throughout the year. In January, sunrise is at 6.30 a.m. and as early as 4.30 a.m. in June.

This, he says, allows more than enough time for the observant Jew to don phylacteries, say his prayers and leave for work without being late. Segal suggests that April to October when sunrise is about 5:30 is a good period for the implementation of "summer time."

ANOTHER OBJECTION has been that the Sabbath might be desecrated, since the sun will set at a later hour. To counter this argument, Segal pulls out a letter written to *The Jerusalem Post* by Rabbi Louis Rabinowitz in May, 1981. Rabinowitz contended that, "To suggest that those who observe the Sabbath will desecrate it if they have to wait an extra hour is deplorable. It is but another example of the prevalent tendency in religious circles to adopt a more stringent view, and of the fear of the National Religious Party that they may be regarded as lenient by Agudat Yisrael and other more zealous groups."

Two years ago, violence erupted in the usually sedate town of Petah Tikva when buses of the Dan Cooperative took to the streets late Saturday afternoon. Stones flew and large contingents of police with riot gear were on hand Saturday after Saturday to handle the hundreds of Orthodox residents who gathered at a main intersection. The crisis abated when the buses were rerouted to avoid religious neighbourhoods until night fall.

Another crisis developed in 1974 and 1975 when rising fuel costs and petrol shortages had the Western world queuing up at the petrol stations and worrying about the bill for the winter's heating oil supply. Israel, anxious to show that it too was doing its bit instituted daylight saving time and weekly car-less days. Both measures went the way of the dinosaur.

An interministerial committee, set up to study whether "summer time" was worth the bother of adjusting the clocks and watches, reported in March 1976 that the 0.1 per cent fuel savings in 1974 and 1975 "is not enough to justify daylight saving time."

SEGAL DISAGREES. Utilizing sunlight in place of fuel is the most obvious and pollution-free energy saver, he says.

Methodically he charts his calculations, using U.S. Federal Energy Administration figures: "Home lighting," he says, "generally consumes 5 per cent of all energy used. Summer accounts for 1.8 per cent of the energy used for home lighting year-round."

Israelis keep lights on in their homes for an average of four hours each summer evening, says Segal. By moving the clock forward, the lights would burn for an hour less, representing a 25 per cent cut.

A quarter of 1.8 per cent equals a yearly energy saving of 0.45 per cent. And translated into monetary terms, it lops about $11 million off Israel's annual oil bill, Segal claims.

A "very considerable" 0.15 per cent saving in air-conditioning would also result, he says, pushing the total annual reduction in energy consumption to 0.6 per cent, cutting the fuel costs of this country by a further $3.75 million.

Another document on Segal's desk is a letter he received from the Israel Institute of Labour Productivity. "During the hot and humid months work performed in the early morning represents a potential productivity increase of 1-2 per cent when compared to work during the hotter hours of the day," it says.

Segal estimates that daylight saving time could therefore increase work productivity by IS150m. a year.

These were some of the statistics (adjusted here for 1982) that Segal presented to the High Court of Justice in May 1980.

JUSTICES Haim Cohn, Aharon Barak and Shlomo Levin heard the government's representative note that Segal was alleging that the Interior Minister had failed to implement, year-after-year, a law of the government of Israel.

Recalling the case, Segal says the counsel for the defence remarked: "Surely, had this been the case, the attorney-general would have told the minister about it a long time ago."

At this, Barak, a former attorney-general, looked down from the bench, and with a smile said: "I must admit that never in the course of serving as attorney-general, had I known of the existence of this law."

Segal won the case, but the victory was short-lived.

In February 1981, the Knesset passed an amendment leaving implementation of daylight saving time to the discretion of the minister. Dr. Yosef Burg decided the clocks would tick on, uninterrupted, during the summer months.

Aside from the correspondence between the engineer and the minister over the years, they have met only once, somewhat ironically, considering the religious aspects of the controversy, on the stage of the annual Independence Day World Youth Bible Quiz in Jerusalem.

Segal, who was recently a runner-up in the National Bible Contest for adults, was on the dais in 1981 with Burg.

The minister, Segal recalls, "remembered me. He said he must look up the name of the doctor who told him daylight saving time wasn't good for one's health."

Segal was referring to a statement Burg made that year in which he claimed "biological clocks would be disturbed" if the mechanical timepieces were tampered with. Burg produced no medical evidence to support the view.

PROFESSOR RAMI RAHMIMOV, dean of the Hebrew University's faculty of medicine told MK Shulamit Aloni in a letter, dated May 10, 1982, that: "Israel is a hot country. By introducing "summer time," activities would begin an hour earlier, and a larger portion of work and studies would be carried out during the relatively cooler hours, and less labour would be done in the hot hours of midday."

"It seems to me that implementation of daylight saving time could increase the efficiency and the comfort of a large segment of the population. There are very small changes in sleeping habits during the transition days, just after the clocks are set forward, and there is great benefit to life itself in summer."

Five petitioners, including Segal, are presently summoning Burg before the High Court of Justice to show cause why daylight saving time should not be implemented.

Education in the Nineties

By LEA LEVAVI / Jerusalem Post Reporter

THE MAIN PURPOSE of education is to make people good, honest and happy, according to a rabbi who wrote in Jaffa in 1909 and a Shomer Hatza'ir kibbutznik this year.

Izhar Smilansky, author and former Labour MK, told a recent Histadrut Teachers Union symposium on "Education in the Nineties" that "both the rabbi and the kibbutznik were wrong." The rabbi, he said, wanted to bring about goodness and happiness by having children learn Tora from infancy — but Jews have been doing that for generations, where, Smilansky wants to know, is the goodness and happiness that was supposed to result. The kibbutznik, he explained, wants to accomplish the same goal using sociology, phychology, pedagogy and modern human engineering, with equally questionable results.

"They both put subject matter, the thing at which teachers are best, in second place; no one really knows how to make people good or honest or happy. The only way these educational philosophies work is by putting people in airtight molds, controlling and censoring their environment.

"If we want people to have freedom, to be able to make choices, we have to see the educational process as a pendulum which swings between rights and responsibilities, between individual freedom and the needs of society, between what the educator wants and what the person being educated wants."

Arie Simon, who was awarded an Israel Prize for Education in 1981, raised the question of whether the purposes of education have to be adapted to changing reality, or whether the teacher's job is to win out over reality. "Some girls from a teachers' college were in my house a few days ago," he said, "and raised questions about whether we can educate for values, and indeed, whether we have the right to do so. One girl pointed out that there's a lot of patriotic verbiage these days, but that we're not really independent when we depend on Arabs to do our work and, at the same time depend on our patron from across the sea for money. Another girl wanted to know how she can educate children to have certain values when she herself has no one to whom to turn with her own questions and uncertainties. I answered something, of course, but I wasn't satisfied with my answers."

He quoted A.D. Gordon and Berl Katznelson on values such as fairness to our Arab neighbours and the value of work. "If I would express such views in my own name instead of in quotes, I would soon be beyond the pale, labelled as a leftist," he said.

Abraham Ron, representing the religious educational system, said there is danger of polarization between "elitist socio-economic groups and the underprivileged" in the religious schools, since the middle-class is conspicuously absent in religious education. Demands for separate schools and segregation are already common, he said, and administrative or legislative action isn't adequate to stop this trend. "Parents are a very strong pressure group. They know all the loopholes in the law and all the cracks in the social wall." The solution, he believes, is to enlist the help of parents from "elite" groups who will see integration as a religious and national challenge. He also discussed the dangers inherent in a situation in which the religious community, in its efforts to deal with the contradictions between religion and science, compartmentalizes life into religious and secular. "That's how a religious politican can say, 'true, I'm religious, but I'm also a politician and politics is politics.' So far, we don't have a serious drug problem in religious schools, but we may have one in the future if the separation between religious and secular life continues."

Elad Peled, former director-general of the Ministry of Education, said we can and must plan the educational system for the same reason that society legislates compulsory army service, or puts criminals in prisons. "I know I'm giving Yizhar ammunition by comparing schools to prisons," he added.

"The success of educational planning is limited, there's a large gap between what is planned and what really happens, but that planning can nevertheless help reach important goals." As an example, he cited the compulsory education law which turned what had been a dream in the late '40's (that every Israeli child should finish sixth grade) into a reality where some 97 per cent of children go to school and most remain, as the law requires, until age 16.

No opportunity was given the teachers in the audience to express their own views on how they see the future of education in Israel.

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(Advertising Section)

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Sit in the shade of tall palm trees, sip cool drinks, savour mouth-watering grilled meats, fabulous salads and delicious desserts, and all from only IS170 for a three course meal. The OASIS at the Jerusalem Hilton Pool turns a mirage into a reality, every day from noon till 4 p.m. Eat'n swim. The Business Conference with a difference. Discuss the deal, then have a dip in the pool and clinch it with the best lunch in town. Makes doing business such a pleasure. Sunday thru' Thursday, noon till 4 p.m.
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EATING OUT IN JERUSALEM is a weekly feature serving residents of and visitors to Jerusalem. To advertise in this column please contact Ray Bernard at The Jerusalem Post, Tel. 02-528181

Eating out tonight? Dozens of restaurants in Jerusalem accept your ISRACARD, Israel's No. 1 credit card and the international Eurocard/Mastercard. Make sure you take yours with you. No need to carry cash or a cheque book.

IT PAYS TO PAY WITH EUROCARD

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SOUFFLE! SOUFFLE!

Treat yourself to the best soufflé you've ever tasted. 17 different soufflés to choose from, mushroom thru' camembert to Grand Marnier. Home made soups, pies, quiche, salads, mouthwatering cakes. Kosher. Visa, Diners accepted. Parties catered for. LE SOUFFLE, 5 YEDIDIYA (behind Main Post Office) corner 10 Koresh. Sun-Thur. 11 a.m.-11 p.m. Friday till 2 p.m., Saturday after Shabbat. Tel. 02-225551.

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First there's the ambiance, cool and green. Then there's the food — tasty dairy with specialities like fine grilled buttered fish, piquant hot cheese plate, traditional bagels with cream cheese and smoked salmon. And of course soups, salads, gorgeous gateaux, blintzes, fruit salads, ices, fruit juices, wines, beers, etc. The chef's plat du jour for the epicure. It's THE GARDEN CAFE, just the right place to rest-a-while, under a shady tree or a starlit night. THE GARDEN CAFE, 1 Washington Street, (opposite King David Hotel). 10.30 a.m. till midnight. Friday till 3 p.m. Saturdays after Shabbat. Kosher. Tel. 02-221786 for evening reservations.

AT LAST...

To some it's HOT BRISKET, to others it's HOT CORNED BEEF, to others HOT SALT BEEF. But to all it's the tastiest, scrumptious, mouth watering meal ever put between two slices of fresh rye bread. And it's now available AT LAST in Jerusalem, with hot English mustard and heimishe pickled cucumbers. If you've been dying for it ever since you came to Israel, nake haste to DELI NEPI the new take away at 16 REHOV SHAMAI, KIKAR ZION end. They've also got a great selection of home-made herring appetizers, cold cuts, salads etc. and traditional Jewish sweetmeats. KOSHER. Open 9 a.m.-7.30 p.m. Friday till 3 p.m. Tel. 02-223746. DELI NEPI, Jerusalem's ONLY HOT BRISKET TAKE AWAY.

Fish lovers are hooked once they see the menu of the AMERICAN COLONY. In addition to the dozens of items designed to satisfy the most discerning diner, the hotel's Swiss chef has dreamed up some exquisite fish dishes including Fillet of hake sautéed with lemon and capers, Grilled salmon with sauce béarnaise, Grilled plaice with almonds and sliced oranges, Shrimps in dill cream sauce and many more. With an olde world atmosphere and impeccable service you're in for a pleasurable delight. Open for lunch or dinner. On Fridays they've a poolside barbecue and their Saturday buffet brunch is renowned. For something really special AMERICAN COLONY HOTEL, Nablus Road. Tel. 02-282421, 285171 for reservations. Bon Appetit.

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Going on a picnic? Having a party? Or just fed up with cooking? Then try VESSELY FAST FOOD the new Heimische Food Take-away. Chopped liver, stuffed cabbage, gefilte fish, salt beef, roast chicken, chopped meat, chicken livers and dozens of great salads and appetisers. Beers, wines, spirits. Kosher Lemehadrin. Thursdays and Fridays: Cholent, kishke, kugel. All by weight to take away or to eat in their restaurant. VESSELY FAST FOOD, 31 Keren Kayemet, Rehavia (corner Ibn Ezra). Tel. 639131. Sun.-Wed. 10 a.m.-5.30 p.m. Thurs. 9.30 a.m.-7 p.m. Friday 10 a.m.-3 p.m.

PIE MAN, PIE MAN, TRY MY WARES

Looking to spend a quiet hour over a delicious pie and something to drink? Then try the PIE SHOP in the centre of town. When I was there they had Chocolate, Apple, Lemon, Strawberry and Banana pies among others on the menu and some lovely drinks including Cinnamon Tea and Chocolate and Rum. For the best place in Jerusalem for a pleasant time, try the PIE SHOP. (DON'T PASS ME BY — TEA AND PIE), 4 NAHALAT SHIVA off 33 JAFFA RD. Open from 2 p.m. till midnight.

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Don't Miss the Micha Bazaar

The bazaar will be held tomorrow, Wednesday, June 9, 1982, between 5 p.m. and 10 p.m., and on Thursday, June 10, 1982, between 10 a.m. and 9 p.m., at Beit B'nai B'rith, 10 Rehov Kaplan, Tel Aviv.

You will find the following cheaply priced items at the bazaar: An abundance of folklore products from all over the world, select hand made items, fashion and clothing items for the entire family, toys, food products, flowers and plants, paintings and thousands more items.

A raffle will take place at 7 p.m. on Thursday.

Admission free.

Proceeds for the education and rehabilitation of children with hearing handicaps from an early age.

This advertisement by courtesy of Biderman Hanina Insurance Company

Bank Leumi celebrates its 80th anniversary

150 int'l bankers here for conference

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — More than 150 leaders of the international banking community will today be received by President Yitzhak Navon and will later meet with Finance Minister Yoram Aridor. The bankers represent corresponding banks of Bank Leumi. They are here as guests of Bank Leumi to participate in an international conference to mark its 80th anniversary.

According to a Leumi spokesman, the presence here of officials from leading banks in 22 countries is an expression of confidence in Israel's economic and political stability.

The participants in the four-day gathering represent 123 correspondent banks of Bank Leumi in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, The Netherlands, Norway, Panama, Portugal, Rumania, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States, Venezuela and Zimbabwe. The largest delegation is from the U.S. and includes 30 executives from various cities.

At the opening of the conference on Sunday at the Hilton Hotel here, board chairman Ernst Japhet emphasized the strength of Israel's banking system and its role in supporting the country's economic growth. "The entire banking system here comprises 29 banks with roughly 1,100 branches — about one branch for every 3,600 people. The total balance sheet of all banks is over $50 billion, of which our group accounts for more than $20b.," he said. Israeli banks maintain about 100 offices overseas, of which 60 per cent are from the Bank Leumi group, he added.

Japhet pointed out that the bank was helping its clients overcome the country's three-digit inflation through a series of innovative saving plans, enabling them to protect their earnings and capital from losses.

He added that Israel has an external debt of around $18b. "We probably have the doubtful distinction of having one of the highest per capita foreign debts in the world. However, it is relatively well-structured, at impressively long terms and at concessional rates. Our foreign deposit structure and the good relations with our correspondents, along with the conservative running of our group, have always made us a net lender with our friends, and this is a source of comfort to us," he said.

Japhet traced the development of Bank Leumi during its 80 years, emphasizing its integral part in Zionist activity in Palestine and the growth of the Jewish state. "Our bank was the brainchild of Theodor Herzl. It was established as the Jewish Colonial Trust which to this day is our parent company. When Herzl founded the bank as the financial arm of the Zionist movement in order to transform his utopian dream into reality, he said that the settler here should be entitled not only to charity, but also to a loan."

Tel Aviv University President and noted economist, Professor Haim Ben-Shahar, told the conference that Egypt had earned more than $10b. from oil exports since the return of Sinai by Israel. He said that despite the current Lebanese flare-up he believed Egypt had a vital stake in maintaining peaceful relations with Israel. He said there were negotiations between Israel and Egyptian companies regarding a number of joint ventures.

The bankers are visiting leading industrial firms and research institutions. On Sunday they were addressed by MK Abba Eban, Foreign Minister Yitzhak Shamir, Bank of Israel Governor Moshe Mandelbaum, and Knesset Speaker Menahem Savidor.

Japhet voiced his approval that despite the current emergency all these personalities found the time to keep their appointments with the bankers.



At festive Knesset dinner U.S. Ambassador Samuel Lewis (left) makes a point to Knesset Speaker and Mrs. Menahem Savidor and Leumi board chairman Ernst Japhet (right). (Amram Galmi)

Israel Lands Administration
Jerusalem District

Offer for Lease of Plot for Construction of Apartment House in Mekor Haim Quarter, Jerusalem

Tender No. Jm/82/21

The Israel Lands Administration invites bids for lease of plot, details of which at the time of publication of the tender, were as follows:

Block	Plots	Approx. area (sq.m.)	Total building capacity (sq.m.)	Minimum price (IS)	Deposit (IS)
30002	134, 135	943	949.5	2,518,425	120,000

Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, Tel. 02-224121 between 8.30 a.m. and 12 noon on regular working days.
Deadline for submitting tender bids is 12 noon on July 7, 1982. Bids not found in the tender postbox by the above time for any reason whatsoever, will not be considered.
The Israel Lands Administration does not undertake to accept the highest bid or any bid whatsoever.

Offer for Lease of Plot for Construction of Entertainment Centre at Ashdod

Tender No.Jm/82/22

The Israel Lands Administration invites bids for lease of a plot, details of which at the time of publication of the tender, were as follows:

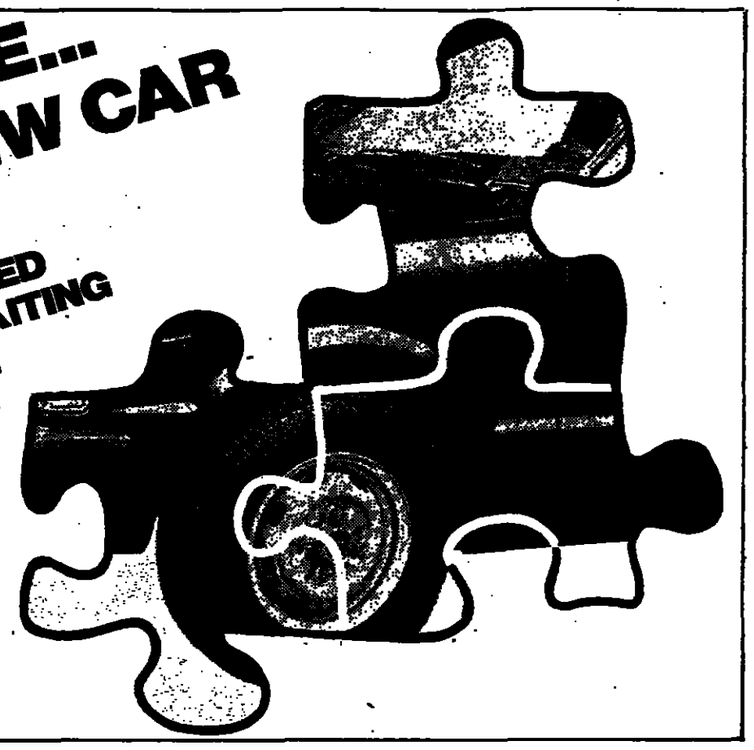
Block	Parcel	Plot	Approx. area (sq.m.)	Total building %	Storeys	Minimum price (IS)	Deposit (IS)
2061	105	21	6200	50	2	5,054,400	250,000

In accordance with municipal building plan 3/03/119/1, it will be possible to build on the plot: cafeterias, restaurants, privats and social clubs, recreational facilities, cloakrooms, and rental installations.
Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, Tel. 02-224121, between 8.30 a.m. and 12 noon during regular working days.
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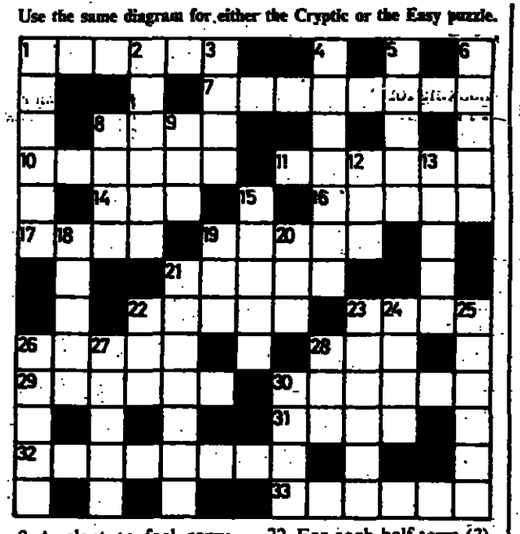
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40 HAMASGER ST. TEL 03 330721
HAIFA
94 JAFFA RD. TEL. 04 510979,521369





TWO-IN-ONE CROSSWORD

Use the same diagram for either the Cryptic or the Easy puzzle.



CRYPTIC PUZZLE ACROSS

1 The old boy's stony! (6)
7 Continentals? (8)
8 Beer containers? (4)
10 Some sign of interest in astrology (6)
11 Encourage to put the thing in nice order (6)
14 Capering animal? (3)
16 She goes to South Africa in the sun (5)
17 Scores of cricketers (4)
19 Station a crazy dope on the tee! (5)
21 Where Italians could start malingering? (5)
22 Heathen who doesn't quite make page one (5)
23 Makes certain sounds like waves (4)
26 Kept a broken vase with a figure on it (5)
28 Said I'm out, sorry (3)
29 Where work's concerned, chose wrongly but *about* right (6)
30 A disease with harmless ways (6)
31 Militant salvationists, possibly? (4)
32 Outward result of the next real change (8)
33 There's many a racket in this game (6)

DOWN

1 A more able worker? (6)
2 Musical characters never without an instrument (6)
3 Figure a fool to be female (4)
4 Engages in a nominal sense? (5, 2)
5 Steve, a noted potter (5)
6 Tree used for making pans out East (5)
8 Don, upset for most of January (4)
9 A plant to feel sorry for? (3)
12 A painful reduction (3)
13 May have four legs and give a bleat (5)
15 Wait for a day outside the back of a hotel (5)
18 Just the chap to turn a hair, possibly? (5)
19 Enjoy archeology? (3)
20 Criticise all (3)
21 Wine and Cake (7)
22 For each half term (3)
23 Pink fish? (6)
24 Water current associated with Nelson (4)
25 Places for rats, not seamstresses (6)
26 Arrange crews' pay (5)
27 They're about 1½ to a cell (5)
28 Dear chap, here's a letter to read (3)
30 In informal terms, it's in the drink (4)

EASY PUZZLE ACROSS

1 Cultivated (6)
7 Polluted (8)
8 Pace (4)
10 Steppes (6)
11 Join (6)
14 Deity (3)
16 Ventilated (5)
17 Biblical garden (4)
19 Unyielding (5)
21 Boring instrument (5)
22 Divine messenger (5)
23 Incite (4)
26 Occurrence (5)
28 Intelligence agency (3)
29 Interfere (6)
30 Tout (6)
31 Drive (4)
32 Wholly (8)
33 Unmarried (6)

DOWN

1 Place of worship (6)
2 Cleansing liquid (6)
3 Immerses (4)
4 Hopelessness (7)
5 Flight of steps (5)
6 Bordered (5)
8 Wise person (4)
9 Finish (3)
12 Cover (3)
13 Stop (5)
15 Large feline (5)
18 Dig (5)
19 Carpet (3)
20 Set (3)
21 Horns (7)
22 Conjunction (3)
23 Light firearm (3-3)
24 Cook at great heat (4)
25 Flourish (6)
26 Ant (5)
27 Prepares for publication (5)
28 Automobile (3)
30 Purchases (4)

Yesterday's Easy Solution

ACROSS. — 1, Tramp. 6, Ascot. 9, Ailment. 10, Spurn. 11, Guppy. 12, Asked. 13, Ascends. 15, Tee. 17, Lean. 18, Delays. 19, Herod. 20, Nested. 22, Plea. 24, Exe. 25, Loosely. 26, Senor. 27, Great. 28, Flair. 29, Kingdom. 30, Aspic. 31, Esses.

DOWN. — 2, Repose. 3, Marten. 4, Pin. 5, Amass. 6, Angered. 7, Stud. 8, Osprey. 12, Added. 13, Alone. 14, Cause. 15, Table. 16, Essay. 18, Donor. 19, Heretic. 21, Extras. 22, Psalms. 23, Elaine. 25, Lough. 26, Saki. 28, Foe.

Yesterday's Cryptic Solution

ACROSS. — 1, Shock. 6, Watch. 9, Rainbow. 10, Alloy. 11, Raged. 12, Berry. 13, Cock-Les. 15, Pet. 17, Owls. 18, Se-noR-a. 19, Ashes. 20, Ca-vor-t. 22, SE-MI. 24, Hue. 25, Central. 26, Shorn. 27, Bugle. 28, Boats. 29, Arabian. 30, Enemy. 31, A-go-ny.

DOWN. 2, Hollow. 3, Crocks. 4, Kay(e). 5, Knees. 6, Worries. 7, A-way. 8, CL-ever. 12, Beast. 13, Coach. 14, C-live (rev). 15, Power. 16, Ta-M-il. 18, S-Eve-N. 19, Archery. 21, Autumn. 22, S-tr-ong. 23, Martin. 25, Cribs. 26, Slam. 28, Baa.

Solutions to today's puzzle tomorrow

WHAT'S ON

Notices in this feature are charged at IS72.80 per line including VAT; insertion every day costs IS1400.00 including VAT, per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

Jerusalem
MUSEUMS
Israel Museum. Exhibitions: Permanent Collection of Judaica, Art and Archeology; A Glimpse into the Past, Ternbach Collection, objects from the ancient Near East; Reality/Illusion, children's exhibition dealing with visual illusions in culture and art; Metaphors and Allegories, Superstudio Firenze; Art for Humour's Sake, humour in contemporary art; Old Gods and Young Heroes, collection of Maya ceramics; Toys and Games of the Ancient World (Rockefeller); Colour (Paley Centre, next to Rockefeller); Special Exhibit: Adornment of a Jewish Bride (tradition of Herat, Afghanistan); Special Exhibit: Gifts to Eliahu Dobkin Ancient Glass Pavilion; Special Exhibit: Throne Legs Cast in Bronze, fron Samaria 6th-4th cen. BCE; Special Exhibit: New Shekel Coin and Ancient Jewish Prototype; Special Exhibit: Ezra Orion: Sculpture in the Himalayas, photographic documentation; Special Exhibit: Israel Museum Awards 1982. Statements in Colour, Contemporary Photography; Jewish Treasures from Paris, Collection of Cluny Museum and Consistoire. On the surface, approaches to paint and canvas in contemporary art; Special Exhibit: Islamic Armour (Rockefeller); Special Exhibit In Memory of Baroness Alix de Rothschild, selection of jewelry.
Visiting Hours: Main Museum 4-10. Shrine of the Book 10-10. At 4.30: Guided tour in English. 6 and 8.30: "The Seduction of Mimi," film. 7.15: Gallery Talk, "Canaanite Temples in the Late Bronze Period."
CONDUCTED TOURS
HADASSAH — Guided tour of all installations * Hourly tours of Chagall Windows at Kiryat Hadassah. Nominal charge. * Hourly tours at Hadassah Mt. Scopus. * Information, reservations: 02-416333, 02-426271.
Hebrew University:
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9 and 28
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9 and 28 to last stop. Further details: Tel. 02-882819.
Enassah — World Rel. Zionist Women. 26 Ben Maimon. Visit our projects: Call 02-662468, 630620; 03-788942, 708440.
American Mizrachi Women. Free Morning tours — 8 Alkalai Street, Jerusalem. Tel. 69-9222.
MISCELLANEOUS
Plant a Tree with Your Own Hands! For details and/or tour reservations, call Jewish National Fund. 02-635261, ext. 13

Tel Aviv
MUSEUMS
Tel Aviv Museum. Exhibitions: Jubilee Exhibitions (1932-1982). The Twenties in Israeli Art; Masters of Modern Art; City of Art, the Berlin Secession at the Turn of the Century; Dizengoff House, the early years of Tel Aviv Museum.
Visiting Hours: Sat. 10-2; 7-10. Sun.-Thur. 10-10. Fri. closed
Helena Rubinstein Pavilion: Sun.-Thur. 9-1; 5-8. Sat. 10-2. Fri. Closed.
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American Mizrachi Women. Free Morning Tours — Tel Aviv, Tel. 220187, 243106.
WIZO: To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 89537.
PIONEER WOMEN — NA'AMAT. Morning tours. Call for reservations: Tel Aviv, 256096.
MISCELLANEOUS
Hadassah Visitors Dept. Please call 03-491489.

Haifa
Golden Age Club (Rothschild Community Centre, Mt. Carmel), today 4.15: Slide lecture by Mrs. Trude Kluberg, "Travel to Spitzbergen."
What's On in Haifa, dial 04-640840.

Rehovot
The Weizmann Institute. Open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on institute's research activities, shown regularly at 11.00 a.m. and 2.15 p.m. Friday 11.00 a.m. only.
Tours of the Weizmann House every half hour from 10.00 to 3.30 p.m., Sunday to Thursday. Nominal fee for admission to Weizmann House.
No visit on Saturdays and holidays.

GENERAL ASSISTANCE

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Jerusalem: Central Bus Station, 234 Jaffa, 520190. Balsam, Salah Eddin, 272315. Shu'afat, Shu'afat Road, 810108. Dar Eldawa, Herod's Gate, 282058.
Tel Aviv: More, 1 Uziel, 440552. Yani, 67 Yehuda Halevi, 612474.
Netanya: Neot Shaked, Ezorim Industrial Centre, 52484.
Haifa: Aliya, 44 Aliya, Bat Galim, 522062.

DUTY HOSPITALS

Jerusalem: Hadassah E.K. (pediatrics, E.N.T.), Bikur Holim (internal, obstetrics), Shaare Zedek (surgery, orthopedics, ophthalmology).
Tel Aviv: Rokah (pediatrics, internal, surgery).
Netanya: Laniado (obstetrics, internal, pediatrics, gynecology).
Migav Ladack: Open line 4-6 p.m. every Monday answers to obstetrics, gynecological, sterility and family planning problems. Tel. 02-633356.

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Phone numbers: Jerusalem, Tel Aviv, Haifa — 101. Dan Region (Ramat Gan, Bnei Brak, Givatayim, Kiryat Ono) — 781111.

Ashdod 2222	Nazareth 54333
Ashkelon 23333	Netanya 23333
Bat Yam 885555	Petah Tikva 912333
Beersheba 78333	Rehovot 054-51333
Eilat 2333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 503133	Tiberias 20111
Nahariya 923333	

"Erez" — Mental Health First Aid. Tel.: Jerusalem 669911, Tel Aviv 253311, Haifa 538-888, Beersheba 32111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call 03-234819, Tel Aviv, 04-88791 Haifa, 02-810110, Jerusalem.

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ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.15 Judaism 7-9 8.40 English 5 9.00 English 8 9.25 Math/Geometry 5 10.10 English 6 10.25 Spoken Arabic 10.40 English 7 11.00 Between Turkey and Britain 11.20 English 9 11.40 Advice and Guidance 12.05 Science 7-8 12.30 English 10 13.00 Society and Culture 13.30 French 15:00 Science: Language Corner (repeats) 16.00 Handicrafts 16.15 The Flaxton Boys 16.45 Milk, Honey and Your Problem
CHILDREN'S PROGRAMMES:
17.30 Marzipar — cartoons
18.00 Faster, Higher, Stronger — sports magazine
ARABIC-LANGUAGE programmes:
18.30 Mabat Newsreel
18.32 The Seven Giants
19.00 Documentary
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.03 Rhoda — comedy series about Rhoda Gerard
20.30 Tracks — the Way of a Believer. Documentary about the life of Prof. Jacques Goldberg of the Technion
21.00 Mabat Newsreel
21.30 Kolbotek — weekly consumer magazine
22.00 Jessie. An Edwardian tale about the love which grows between a neglected mute boy and a new housemaid. Starring Nanette Newman and Toby Scopes
23.30 News
JORDAN TV (unofficial):
17.40 Cartoons 18.00 French Hour 18.20 (JTV 3) The Flying Kiwi 19.00 News in French (JTV 3) Candid Camera 19.30 News in Hebrew 19.45 Magazine Zero One 22.00 News in Arabic 20.30 Benson 21.10 Dark Room 22.00 News in English 22.15 Bestseller: The Golden Moment

ON THE AIR

First Programme

6.11 Musical Clock
7.07 (stereo): Morning Music — Harty: John Field Suite; Martinu: 4 Arabesques; Kruszcinski. Polish Suite; Tchaikovsky: Ballet Music from Eugene Onegin
8.05 (stereo): Morning Concert — Delibes: The Hunt from Sylvia; Schubert: Symphony No. 5 (Israel Philharmonic, Mehta); Prokofiev: Piano Concerto No. 4, for the Left Hand (Ashkenazy); Debussy: Iberia; Brahms: Clarinet Quintet, Op. 115
10.05 (stereo): Beethoven: String Quartets, Op. 18, Nos. 5 and 6 (Fine Arts)
11.00 Sephardi songs
11.15 Elementary School Broadcasts
11.30 Education for All
12.05 (stereo): Dvorak: Biblical Songs (Birgit Finnila, Israel Philharmonic, Dorati); Morton Gould: Spirituals (Jerusalem Symphony, Gould)
13.00 (stereo). Mozart: Excerpts from The Abduction from the Seraglio, and from Cosi fan tutte
14.10 Children's programmes
15.25 Education for All
15.55 Notes on a New Book
16.05 (stereo): Notes and Shadows (repeat)
16.40 (stereo): From the Record Library (no details available)
17.35 Programmes for Olim
20.05 Everyman's University
20.35 (stereo): The Radio Music Club from the Tel Aviv Museum, Eddy Halpern producing — Gila Yaron, soprano; Idith Zvi, piano; Yuval Kaminkovsky, viola; Gershon Dembinsky, clarinet — Music by Mozart, Gelbrun, Joan Franks-Williams, Schumann and Schubert
22.35 Speaker's Podium (repeat)
23.00 Shmuel Almog's talk show
00.01 (stereo): Music from the Renaissance and the Baroque periods

Second Programme

6.12 Gymnastics
6.22 Agricultural Broadcasts
6.40 Editorial Review
6.54 Green Light — drivers' corner
7.00 This Morning — news magazine
8.10 All Shades of the Network — morning magazine
12.05 Of People and Places
12.30 Hebrew songs
13.00 Midday — music, news commentary
14.10 In a Minor Tone — with Ehud Manor
16.10 Spotlight — social and state affairs magazine
17.10 Treasure Hunt — radio game
18.47 Bible Reading — Psalms 49:1-12
19.00 Today — people and events in the news
19.45 Sports Magazine
20.10 Together with Yoel Harel
21.05 Cantorial Music
22.05 The Six Day War (repeat)
23.05 Two by Two — family counselling

Army Programme

6.10 Morning Sounds
6.30 University on the Air — Dr. Raffi Ventura lectures on Ancient Egyptian Culture
7.07 "707" — Alex Ansky reviews the morning papers
8.05 IDF Morning Newsreel
9.05 Right Now — with Yitzhak Ben-Ner
11.05 Golden Oldies
12.05 Israeli Summer — with Eli Yisraeli
14.05 Two Hours — music, anecdotes, interviews and reviews
16.05 Four in the Afternoon — Hebrew songs
17.05 IDF Evening Newsreel
18.05 Social Affairs Magazine
19.05 Music Magazine
21.00 Mabat Newsreel
21.35 University on the Air (repeat)
22.05 The Voice makes the Sound
23.05 Fifteen Years After (repeat)
00.05 Night Birds — songs, chat with Gila Almagor

ENGLISH LANGUAGE BROADCASTS
7.00, 14.00, 17.00, 20.00
Special daily features following the news at 14.00
SUN. Israel Mosaic — weekly magazine
MON. You're On the Air — Live phone-in
TUE. Mainstream — information and consumer magazine
WED. Forum — discussion
THUR. Studio Three — arts in Israel
FRI. Thank Goodness It's Friday — Sabbath eve programme
SAT. This Week — weekly newsreel.
These broadcasts can be heard on the Fourth programme 738 kHz. In the Jerusalem area 675 kHz. in Central Israel 1026 kHz.

CINEMAS

JERUSALEM 4, 7, 9
Eden: Christiane F. 4, 7, 9.15; **Edison:** Reds 4, 8; **Kfir:** The Boat 4, 6.45, 9.15; **Mitchell:** Padre Padrone 7, 9.15; **Orgil:** Atlantic City, U.S.A.; **Orion:** The Chase 4, 6.45, 9.15; **Oron:** Le Grand Pardon 4, 6.45, 9.15; **Ron:** Three Brothers; **Semadar:** 10 (Ten) 7, 9.15; **Binyenei Ha'uma:** Lena 7, 9; **Cinema One:** Les Miserables 6.45, 9.15; **Israel Museum:** Seduction of Mimi 6, 8.30; **Cinematheque:** Let the Balloon Go 4; Fortune Cookie 7; I Clowns 9.30

TEL AVIV 4.30, 7.15, 9.30
Allenby: The Amateur; **Ben-Yehuda:** On Golden Pond; **Chen 1:** Reds 4.20, 8.15; **Chen 2:** Lena 4.30, 7.05, 9.35; **Chen 3:** First Monday in October 4.40, 7.25, 9.40; **Chen 4:** Straw Dogs 10.30, 1.30, 4.25, 7.05, 9.35; **Chen 5:** Atlantic City, U.S.A. 10.30, 1.30, 4.25, 7, 9.25; **Cinema One:** Arthur; **Cinema Two:** Mephisto; **Dekel:** Manhattan 7.15, 9.30; **Drive-In:** Little Lord Fauntleroy 7.15; This is America 9.30; **Esther:** I the Jury; **Gat:** Buddy Buddy; **Gordon:** Continental Divide 5.30, 7.30, 9.30; **Hod:** Cannonball Run; **Limor:** Butterfly; **Maxim:** A Star is Born 4.30, 7, 9.30; **Mograbi:** Le Grand Pardon 4.30, 7, 9.30; **Orly:** Christiane F. 4.30, 7, 9.30; **Paris:** Nos at Seventeen 10, 12, 2, 4, 7.15, 9.30; **Peer:** Torn Between Two Lovers; **Shalaff:** Quest for Fire; **Studio:** Taps 4.30, 7, 9.30; **Tchelet:** Whose Life is it Anyway? 4.30, 7, 9.30; **Tel Aviv:** The Boat; **Tel Aviv Museum:** From Mao to Mozart; **Zafon:** Garde a Vue; **Tamar:** Rocky Horror Picture Show 7.15; Satyricon 9.30

HAIFA 4, 6.45, 9
Amphitheatre: The Boat 4, 6.30, 9; **Amnon:** Gallipoli 6.45, 9; **Armon:** Gone With the Wind 4, 8; **Atzmon:** Le Grand Pardon; **Chen:** Reds 4, 8; **Galor:** Raiders of the Lost Ark 10, 2, 6; The Sting 12, 4, 8; **Keren Or:** On Golden Pond; **Merish:** Arthur 6.45, 9; **Orah:** Christiane F. 4, 6.30, 9; **Orion:** Love in the Pacific 6 nonstop; **Oriy:** French Lieutenant's Woman 6.30, 9; **Peer:** Buddy Buddy; **Ron:** Mad Max; **Shavit:** Last Metro; **Haifa Cinematheque:** Bad Timing 7; La Provinciale 9.30; **French Cultural Centre:** Milady 7.30

RAMAT GAN
Armon: Reds 4, 8; **Lily:** Chariots of Fire 7.15, 9.30; **Oasis:** Buddy Buddy 4, 7, 9.30; **Orden:** Arthur 7.15, 9.15; **Ramat Gan:** How to Beat the High Cost of Living 7.15, 9.30

HERZLIYA
David: The Professionals 4, 7, 9.15; **Tiferet:** Chariots of Fire 7.15, 9.15

PETAH TIKVA
Shalom: Arthur 7.15, 9.30

NETANYA
Esther: Le Grand Pardon 7, 9.30

RAMAT HASHARON
Star: The Slipper and the Rose 4

HOD HASHARON
Barak: Kid Kassidy 7.15; **Great Sentini** 9.30; Lord of the Rings 4.30

HOLON
Savoy: Escape to Victory 4.30, 7.15, 9.30

Longer freeze on funds subscribed to new issues

Post Finance Reporter

TEL AVIV. — The executive committee of the Tel Aviv Stock Exchange has announced new regulations concerning the period over which new issuers will hold funds subscribed by the public. In the words of one observer it is a just "case of sour grapes as the Exchange wants to make money-making more difficult."

It has been customary in the recent past for funds bid for an issue to be "frozen" for a period of three days. As almost any investor knows, the recent spate of new issues has brought with it instant profits, as prices of the new securities immediately doubled or did even better, in the wake of an oversubscription of 40 or 50 times the amount on offer.

Under the new regulations, the issuer will now hold the funds for six days instead of three, when the size of the new issue is not at least double the minimum amount, namely IS16 million. In cases when the issue is double the minimum amount, but *less than four times the minimum*, the period of the "freeze" will be four days. If the issue is at least four times the minimum, the "freeze" period will be for three days.

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"DOLLAR PAZ", 1 UNIT	72.0881	72.8124
"EURO PAZ", 1 UNIT	91.0397	91.9544
S.D.R.	24.7175*	24.9662

FOREIGN CURRENCY EXCHANGE RATES FOR 6.6.82

COUNTRY	CURRENCY		CHEQUES AND TRANSACTIONS PURCHASE	CHEQUES AND TRANSACTIONS SALE	BANKNOTES PURCHASE	BANKNOTES SALE
U.S.A.	DOLLAR	1	22.1149	22.3371	22.0000	22.6700
GREAT BRITAIN	STERLING	1	39.5414	39.9387	39.1400	40.3400
GERMANY	MARK	1	9.2861	9.3794	9.1900	9.4700
FRANCE	FRANC	1	3.5611	3.5968	3.4000	3.6300
HOLLAND	GULDEN	1	8.3832	8.4674	8.3000	8.5500
SWITZERLAND	FRANC	1	10.5114	10.9201	10.7000	11.0300
SWEDEN	KRONA	1	3.7368	3.7744	3.6500	3.8100
NORWAY	KRONE	1	3.8212	3.8576	3.5400	3.6900
DENMARK	KRONE	1	2.7255	2.7529	2.6800	2.7800
FINLAND	MARK	1	4.8128	4.8611	4.7000	4.9100
CANADA	DOLLAR	1	17.6012	17.7780	17.3800	17.9600
AUSTRALIA	DOLLAR	1	23.1366	23.3690	22.0800	23.8100
SOUTH AFRICA	RAND	1	20.2793	20.4831	15.9200	21.5600
BELGIUM	FRANC	10	4.9133	4.9626	—	—
AUSTRIA	SCHILLING	10	13.1714	13.3038	13.0400	13.4400
ITALY	LIRE	1000	16.7346	16.9028	15.8200	17.0700
JAPAN	YEN	1000	90.0077	90.9120	89.0900	91.8200

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Bank of Israel rates of exchange

June 7, 1982	IS
U.S. dollar	22.2261
British sterling	39.7614
German mark	9.3354
French franc	3.5849
Dutch guilder	8.4215
Swiss franc	10.9018
Swedish krona	3.7576
Norwegian krone	3.6406
Danish krone	2.7410
Finnish mark	4.8391
Canadian dollar	17.6909
Australian dollar	23.2518
South African rand	20.3847
Belgian franc (10)	4.9380
Austrian schilling (10)	13.2531
Italian lire (100)	1.6858
Japanese yen (100)	9.0460
Jordanian dinar	64.90
Lebanese lira	4.45

Selling wave seen easing

By JOSEPH MORGENSTERN

TEL AVIV. — The massive selling wave which swept the market on Sunday in the wake of the incursion into Lebanon, eased considerably yesterday as conditions became liquid again. In sharp contrast to the 219 issues which were "sellers only" on Sunday, only 15 were so listed yesterday. However, the selling pressure was still on as 89 securities were down by more than 5%. Trading volumes moderated as well and just cleared the IS512m. mark.

Index-linked bonds were mostly unchanged, with the exception of the "double-option" bonds, which advanced by 1.5% on the average.

Commercial bank shares were mostly higher. Maritime Bank 0.1 shares, which were unchanged on Sunday and accounted for some 20% of the total market turnover, added 10 points. IDR and Hapoalim gained fractions of a per cent.

Insurance issues were mixed. Surprisingly, Ararat 0.1 was up by 8.5% and Phoenix 0.5 by a full 10%. Zion Holdings 1 was a heavy loser, with a 14.1% drop.

Land development and real estate stocks were clearly lower with losses ranging up to 11.4%, as was the case with Oren. Rising issues included Mehadrin, which gained 10% and the Rassco shares, which mysteriously wound up on the "buyers only" list.

Industrials were also down. Hatehof 5.0 was a major casualty as it was felled for 27.1%. Wire and Cables (r) backtracked by 12.8% as Man 5.0 was clipped for a 15% loss. Nechushtan 0.1 lost nearly 15%. Frutarom was at a low of 681, after a 12.6% drop.

Investment company issues trended down. Unico was 15% lower, while *Export (r)* was down by 16%.

Tel Aviv Stock Exchange

	Closing price	Volume IS1,000	Change	Change in %
Commercial Banks & Bankholding				
IDB prf	25050	.2	—	—
IDB r	2155	124.3	+6	+.3
IDB B r	2135	1.7	+6	+.3
IDB prf A	6580	2.8	+30	+.5
IDB op 6	—	—	—	—
IDB op 7	5340	10.0	+5	+.1
IDB op 9	3270	10.9	n.c.	—
IDB op 10	3130	15.5	n.c.	—
Union r	1391	156.2	n.c.	—
Union op 3 r	—	—	—	—
Union op 4 r	—	—	—	—
Union op 6	2440	10.0	—20	—.8
Union op 7	—	—	—	—
Union sc5 r	2000	20.5	n.c.	—
Discount r	—	—	—	—
Discount A r	2674	55.6	+4	+.1
Discount op 1	3540	24.4	—30	—.8
Discount A sc r	—	—	—	—
Discount B	155.5	178.6	n.c.	—
Mizrahi r	893	2,261.4	+5	+.6
Mizrahi b	893	94.9	+1	+.1
Mizrahi op 2 r	—	—	—	—
Mizrahi op 3	5800	1.1	n.c.	—
Mizrahi op 8	—	—	—	—
Mizrahi op 10	1400	44.0	+120	+9.4
Mizrahi sc 4 r	—	—	—	—
Mizrahi sc 5 r	—	—	—	—
Mizrahi sc 6 r	c2900	.4	n.c.	—
Mizrahi sc 7 r	2680	51.3	+180	+7.2
Mizrahi sc 9	152.5	709.4	+5.5	+3.7
Maritime 0.1 r	1911	1,596.4	+10	+.5
Maritime 0.5 r	1197	484.2	n.c.	—
Maritime op 1	1243	130.4	+14	+1.1
Hapoalim prf b	3601	1.2	—150	—4.0
Hapoalim r	1767	1,219.3	+6	+.3
Hapoalim b	1767	250.8	+6	+.3
Hapoalim op 4 r	12900	1.1	+100	+.8
Hapoalim op 5 r	10240	1.2	+120	+1.2
Hapoalim op 7 r	5950	5.8	n.c.	—
Hapoalim op 11	2780	17.9	—10	—.4
Hapoalim op 12	2510	63.2	—30	—1.2
Hapoalim sc 6 r	3850	11.2	+30	+.8
Hapoalim sc 8 r	2680	3.2	n.c.	—
General A	d2754	77.0	n.c.	—
General op 6	5455	13.8	n.c.	—
General sc 4 r	3666	10.3	—1	—
General sc 5 r	799	53.2	—42	—5.0
Leumi	dx1314	1,575.5	n.c.	—
Leumi no div 81	—	—	—	—
Leumi op 4 r	4985	1.4	n.c.	—
Leumi op 12	1720	62.5	—30	—1.7
Leumi sc 8 r	—	—	—	—
Leumi sc 9 r	636	24.4	+6	+1.0
Leumi sc 11	178.0	479.4	n.c.	—
OHH r	x1575	6.0	n.c.	—
OHH b	x1760	2.0	+118	+6.7
Danot 1.0	555	432.7	—45	—5.0
Danot 5.0	328	2,161.5	—1	—.3
Danot op 1.	266	400.8	+15	+8.0
Danot op 2	135.0	386.4	+11.0	+8.9
FIBI sc 1 r	4646	40.9	n.c.	—
FBI r	d836	2,177.5	n.c.	—
Mortgage Banks				
Gen Mtge r	d730	68.8	n.c.	—
Gen Mtge b	d735	10.4	+5	+.7
Gen Mtge op 117	1640	1.0	n.c.	—
Gen Mtge op 129	—	—	—	—
Gen Mtge db 118	—	—	—	—
Carmel r	700	181.7	—27	—3.7
Carmel b	801	2.3	+5	+.6
Carmel op A	961	.5	—100	—9.4
Carmel op B	587	13.0	—104	—15.1
Binyan r	1467	s.o.2	—77	—5.0
Dev & Mtge r	475	182.1	+7	+1.5
Dev & Mtge b	451	—	—	—
Dev & Mtge op 95	955	2.0	n.c.	—
Mishkan r	1380	49.8	n.c.	—
Mishkan b	1380	.3	n.c.	—
Independence	2460	3.2	—150	—6.1
Tefahot prf r	2950	.2	n.c.	—
Tefahot prf b	3000	2.0	n.c.	—
Tefahot r	2310	188.2	+160	+7.4
Tefahot b	2280	10.2	n.c.	—
Tefahot op A	1805	143.7	+160	+9.7
Tefahot deb 1	145.0	b.o.1	+7.0	+5.1
Merav r	408	249.8	—15	—3.5
Merav op	—	—	—	—
Merav op 2	3570	1.0	n.c.	—
Financing Institutions				
Shilton r	253	595.9	—30	—10.6
Shilton b	262	26.3	—38	—12.7
Shilton op B	882	s.o.2	—95	—9.7
Shilton op 5	252	98.5	—58	—18.7
Shilton op 6	191.0	110.9	—31.0	—14.0
Shilton sc 1	296	b.o.1	+14	+5.0
Shilton sc 2	386	4.6	+18	+4.9
Otz. Lataasiya r	925	43.9	n.c.	—
Otz. Lataasiya b	925	9.6	n.c.	—
Agriculture prf A	3250	20.2	—460	—12.4
Ind Dev prf r	3350	12.4	—260	—7.2
Clal lease 0.1 r	450	63.6	—80	—15.1
Clal Lease 0.5 r	282	62.0	—32	—10.2
Clal Lease op A	444	15.3	—94	—17.5
Clal Lease op B	231	64.1	—4	—1.7
Clal Lease sc 1	140.0	227.4	+3.0	+2.2
Insurance				
Aryeh r	1100	391.0	—59	—5.1
Aryeh op r	23924	.4	n.c.	—
Aryeh sc 1	900	1.9	—30	—3.2
Ararat 0.1 r	1370	120.7	+107	+8.5
Ararat 0.5 r	479	384.5	—2	—.4
Reinsurance 0.1 r	x1050	20.7	—18	—1.5
Reinsurance 0.5 r	x416	140.7	—40	—8.8
Hadar 1.0	2480	57.8	n.c.	—
Hadar 5.0	887	105.9	—46	—5.4
Hassneh r	1748	616.7	—90	—4.9
Hassneh b	1760	9.0	+10	+.6
Hassneh op	3045	1.7	—1	—
Phoenix 0.1 r	2432	b.o.1	+115	+5.0
Phoenix 0.5 r	2080	47.0	+190	+10.0
Yardenia 0.1 r	1645	46.5	—32	—1.9
Yardenia 0.5 r	685	206.0	—20	—2.8
Yardenia op 1	426	51.8	—26	—5.8
Sahar r	7079	50.8	n.c.	—
Sahar b	7343	3.2	—10	—.1
Securitas r	1053	b.o.1	+50	+5.0
Securitas op 2	1618	27.9	n.c.	—
Zur r	1300	78.8	—172	—11.7
Zur b	2774	s.o.1	—146	—5.0
Zur op 1	1160	31.2	—82	—6.6
Zion Hold. 1.0	420	428.6	—69	—14.1
Zion Hold. 5.0	253	1,084.1	—13	—4.9
Commercial Services & Utilities				
Delek r	2299	271.2	n.c.	—
Delek b	2450	6.3	+50	+2.1
Delek db 2	8990	3.5	—144	—1.6
Harel	405	1,514.0	—46	—10.2
Harel op 1	690	179.6	—40	—5.5
Cold Store 0.1 r	38047	.1	—4228	—10.0
Cold Store 1.0 r	19870	7.5	—80	—.4
Isr Electric r	9522	s.o.2	—500	—5.0
Lighterage 0.1	—	—	—	—
Lighterage 0.5 r	15865	33.4	n.c.	—
Lighterage op 2	—	—	—	—
Lighterage db 1	—	—	—	—
Magor	x1056	208.0	+42	+4.1
Consort. Hold.	1236	126.8	—218	—15.0
Consort op	1114	44.9	—200	—15.2
Rapac 0.1 r	2105	31.2	—130	—10.5
Rapac 0.5 r	567	79.0	—65	—10.28
Rapac op 2	381	70.2	—51	—12.7
Supersol A	1220	32.7	—17	—1.4
Supersol B	793	60.3	n.c.	—
Land Development Building, Citrus				
Oren	444	565.2	—57	—11.4
Oren op 1	414	155.2	—37	—8.2
Azorim r	545	447.1	—24	—4.2
Azorim op C	970	82.0	+30	+3.2
Azorim op D	444	124.5	+34	+8.3
Azorim db 1	—	—	—	—
Africa Isr 0.1 r	6317	7.8	+80	+1.3
Africa Isr 1.0 r	4173	5.9	+60	+1.5
Africa op 2	4310	3.3	+3	+.1
Ariedan 0.1	710	564.8	—42	—5.6
Ariedan 0.5	417	875.3	—45	—9.7
Ariedan op A	503	185.0	—50	—9.0
Darad	950	144.7	n.c.	—
Darad op 1	1810	1.1	+25	+1.4
ILDC r	1377	269.8	+54	+4.1
ILDC b	1377	12.8	+47	+3.5
ILDC op A r	9621	—	—	—
ILDC op B r	3901	—	—	—
ILDC op 6	944	20.0	+9	+1.0
ILDC db 4 r	2707	.3	+70	+2.7
HLB Realty 0.1 r	658	291.0	n.c.	—
HLB Realty 0.5 r	388	2,308.5	—30	—7.2
Solel Boneh prf A	—	2.8	—60.0	—4.0
Modul Beton	958	120.3	—40	—4.0
Modul Beton op 1	—	—	—	—
Prop & Bldg r	1628	318.5	+35	+2.2
Prop & Bldg C	1870	3.3	+10	+.5
Prop & Bldg db 5	—	—	—	—
Bayside 0.1 r	3120	3.9	n.c.	—
Bayside 0.5 r	2032	73.8	—220	—9.8
Ispro r	462	1,425.3	n.c.	—
Ispro op 3	1160	88.3	n.c.	—
Isras r	360	1,002.0	—18	—4.8
Isras op 1	241	671.2	—23	—8.7
Cohen Dev.	298	s.o.2	—16	—5.1
Cohen Dev. op 1	224	263.2	—40	—15.2
M.T.M. 1	848	145.9	+65	+8.3
M.T.M. 5	604	104.8	+26	+4.5
M.T.M. op 1	458	35.9	+36	+8.5
Mehadrin r	6600	13.8	+600	+10.0
ICP r	2907	3.7	—323	—10.0
Neot Aviv	2901	14.4	—160	—5.2
Pri Or r	6500	9.8	—150	—2.3
Caesarea 0.1	974	53.4	n.c.	—
Caesarea 0.5	356	303.2	—19	—5.1
Caesarea op 2	542	234.7	n.c.	—
Caesarea op 3	—	—	—	—
Rassco prf r	12767	b.o.1	+603	+5.0
Rassco r	13345	b.o.1	+635	+5.0
Industrials				
Urdan 0.1 r	1140	98.0	—113	—9.0
Urdan 0.5 r	1226	166.4	—60	—4.7
Urdan op 2 r	1358	19.0	+33	+2.5
Elbit 3.0 r	5503	40.1	—265	—4.6
Alliance r	—	—	—	—
Alaska Sport 1.0	932	319.7	—75	—7.4
Alaska Sport 5.0	505	274.3	—32	—5.0
Alaska Sport op 1	695	140.9	—30	—4.1
Elco 0.1	1799	27.1	—272	—13.1
Elco 0.25 r	797	329.5	—44	—5.2
Elco 0.25 b	920	34.2	—125	—12.0
Elco op B	746	30.5	—10	—1.3
Elco db 1	1370	2.0	—180	—10.5
Electra 0.1 r	2145	42.8	+195	+10.0
Electra 0.5 r	940	248.1	+75	+8.7
Electra op 3	342	180.5	+37	+11.5
Electra db 2	2483	b.o.1	+118	+5.0
Elron 3	7352	29.7	n.c.	—
Argaman prf r	1727	20.7	—200	—10.4
Argaman prf b	1787	6.4	—160	—8.2
Argaman r	1648	25.7	—70	—4.1
Argaman b	1706	18.8	—180	—9.5
Ata B 1.0	1245	111.8	—80	—6.0
Ata C 0.1	1002	709.0	n.c.	—
Tadir Beton 1.0	653	256.3	—105	—13.9
Tadir Beton 5.0	351	189.0	—8	—2.2
Tadir Beton op 1	536	84.7	—37	—6.5
Dubek prf r	2132	43.7	—120	—5.3
Dubek prf b	2175	17.6	—10	—.5
Fertilizers r 0.1	1263	s.o.2	—67	—5.0
Fertilizers 0.5	531	123.5	—58	—9.8
Cables r	3265	27.2	—480	—12.8
Cables b	3315	20.6	—300	—8.3
Hatehof 1.0	648	s.o.2	—34	—5.0
Hatehof 5.0	499	751.3	—185	—27.0
Hatehof op 2	684	273.7	—94	—12.1
Haifa Chem r	728	32.5	n.c.	—
Teva r	1786	149.9	—5	—.3
Teva b	—	—	—	—
Teva op	16571	.3	—1100	—6.2
Teva op 2	2676	6.8	n.c.	—
Teva db 3	288	145.3	+12	+4.3
Tempo 1.0	410	985.0	—40	—8.9
Tempo 5.0	298	235.7	—21	—6.6
Tempo op 1	321	102.5	—37	—10.3
Tempo op 2	198.0	40.9	—10.0	—4.8
Tromasbest 1.0	1439	2	—76	—5.0
Tromasbest 5.0	877	229.2	—49	—5.3
Tromasbest op 1	590	194.0	—50	—7.8
Yomar 1.0	810	6.6	n.c.	—
Yomar 5.0	720	.2	+50	+7.5
Zion Cables 1.0	1975	b.o.1	+94	+5.0
Zion Cables 5.0	1368	374.3	n.c.	—
Zion Cables op 1	2253	96.7	+5	+.2
Clal Ind. Electr.	1277	526.0	—1	—.1
Lodzia 0.1 r	1922	b.o.1	+92	+5.0
Lodzia 0.4 r	720	352.5	—38	—5.0
Wolfman 1.0	730	122.6	—49	—6.3
Wolfman 5.0	658	300.0	+31	+4.9
Molett B r	3110	28.1	—120	—3.7
Galil Ind 1.0	1139	299.7	—87	—7.2
Galil Ind 3.0	1015	288.2	—102	—9.1
Man 1.0	2563	s.o.2	—135	—5.0
Man 5.0	515	158.1	—91	—15.0
Dead Sea r	1950	72.3	+105	+5.7
AIPM r	1482	42.5	—10	—.7
Maquette 0.1	892	65.8	—3	—.3
Maquette 0.5	622	149.6	—21	—3.3
Maquette op A	496	200.3	—10	—.2
Assis	4218	21.4	—10	—.2
Assis db 1	6090	b.o.1	+290	+5.0
Petrochem r	150.0	1,539.9	—7.0	—4.5
Nechushtan 0.1	779	620.9	—134	—14.7
Nechushtan 0.5	400	639.3	—45	—10.1
Nechushtan op 1	284	284.5	—19	—6.3
Sano 1	558	407.3	—20	—3.5
Sano 5	419	263.9	—12	—2.8
Elite r	2446	44.3	n.c.	—
Arad r	x407	203.7	+19	+4.9
Polgat 0.1 r	7605	.5	n.c.	—
Polgat 0.4 r	3393	6.6	n.c.	—
Polygon r	1299	162.7	—3	—.2
Pecker Steel	532	98.6	+6	+1.1
Pecker Steel op A	628	29.3	+30	+5.0
Kalil 1.0	630	132.7	—25	—3.8
Kalil 5.0	453	111.9	—11	—2.4
Rim 0.1 r	585	s.o.2	—31	—5.0
Rim 0.4 r	385	s.o.2	—21	—5.0
Schoellerina	1376	61.4	—30	—2.1
Schoellerina op A	1593	23.9	—30	—1.8
Shemen prf r	6156	s.o.2	—684	—10.0
T.A.T. 1.0	647	138.0	—70	—9.8
T.A.T. 5.0	412	236.6	—46	—10.0
T.A.T. op 1	298	180.2	—28	—8.6
Taya	799	120.7	—32	—3.9
Taya op 1	630	32.1	+4	+.6
Taal B r	1314	134.2	—230	—14.9
Taal B b	1988	7.5	n.c.	—
Frutarom r	681	255.9	—98	—12.6
Taro Pharm.	902	s.o.2	—48	—5.1
Investment & Holding Companies				
Unico r	1078	s.o.2	—57	—5.0
Unico b	969	38.8	—172	—15.0
IDB devel. r	1685	194.0	+2	+.1
IDB devel. op 1	1440	97.8	+20	+1.4
Incoba	736	402.5	—80	—9.8
Elgar r	4601	8.5	—527	—10.3
Elgar b	4365	8.7	—770	—15.0
Ellern r	1940	25.7	—160	—7.6
Ellern b	1983	13.0	—200	—9.2
Amissar pref	4200	2.8	+35	+.8
Amissar no div	3965	2.3	—200	—4.8
Amissar opt	4973	8.7	+687	+16.0
Afik 1.0	674	169.2	—3	—.4
Afik 5.0	413	75.5	n.c.	—
Central Trade	1824	78.9	n.c.	—
Inv Paz r	2480	17.8	n.c.	—
Inv Paz b	2627	9.4	n.c.	—
Wolfson 0.1	17010	.8	—1890	—10.0
Wolfson 1.0 r	5822	s.o.2	—306	—5.0
Wolfson 1.0 b	5328	16.8	—800	—13.1
Ampa r	4560	39.2	n.c.	—
Disc Inv r	1217	298.9	n.c.	—
Disc Inv b	1217	53.4	+84	+5.8
Disc Inv opt C	2879	.2	+200	+7.5
Disc Inv opt D	1841	1.3	+110	+6.4
Discount op. E	800	35.3	+45	+6.4
Disc Inv deb 135	1500	—	+74	+5.2
Hapoalim Inv r	2680	21.5	n.c.	—
Hapoalim Inv b	2670	5.0	n.c.	—
Leumi Inv	952	117.9	n.c.	—
Jordan Explo A r	13469	35.1	—520	—3.7
Jordan Explo opt	61656	.5	—1000	—1.6
Jordan Explo opt 2	22190	3.7	—360	—1.6
Mizrahi Inv r	5180	1.6	+90	+1.8
Mizrahi Inv b	5180	.1	n.c.	—
Mizrahi Inv deb 122	140.0	31.0	+2.0	+1.4
Mizrahi deb 124	171.5	.2	n.c.	—
Clal Trade	517	117.8	n.c.	—
Clal Trade op B	1400	6.0	+11	+.8
Clal Trade deb 1	—	—	—	—
Export Inv r	8000	6.6	—1321	—16.0
Export Inv b	8200	5.2	—1078	—11.6
Koor prf	53000	2.5	n.c.	—
Clal Re r	x356	258.0	n.c.	—
Clal Re opt C	988	87.1	n.c.	—
Clal Israel	8954	262.6	n.c.	—
Clal Inds	688	539.1	n.c.	—
Clal Inds opt A				
Clal Inds opt B	1176	8.3	+40	+3.5
Clal Inds deb 5	—	—	—	—
Landeco 0.1	474	97.0	+4	+.9
Landeco 0.5	318	574.0	—3	—.9
Sahar Hold 1.0	1044	s.o.2	—55	—5.0
Sahar Hold 5.0	611	325.0	—108	—15.0
Sahar Hold opt 1	435	251.4	—100	—18.7
Oz Inv B 0.1	881	139.6	—70	—7.4
Oz Inv B 0.5	370	1580.3	—15	—3.9
Oz Inv op 1	698	28.3	—31	—4.2
Oz Inv op 2	278	80.1	—25	—8.2
Pama	1930	119.4	+68	+3.7
Pama 0.5	1234	128.9	—30	—2.4
Piryon	1350	1,388.4	—9	—6.8
Fuel & Exploration				
Oil Explo Paz	871	953.6	—59	—6.3
Oil Explo op. 2	645	250.1	—40	—5.8
Fedoil r	1290	47.7	—64	—4.7
Naphta r	8802	3.4	—1353	—15.0
Lapidot r	—	—	—	—
Lapidot b	—	—	—	—
New Listings				
Cyclone 1	465	201.4	—59	—11.3
Cyclone 5	351	228.1	—80	—14.6
Cyclone op	236	165.0	—27	—210.3
Goldfrost 1.0	392	560.2	n.c.	—
Goldfrost 5.0	300	615.1	—14	—4.5
Goldfrost op	235	b.o.1	+15	+6.8

Abbreviations:

s.o.	sellers only	n.c.	no change
b.o.	buyers only	r	registered
d	without dividend	b	bearer
c	without coupon	pref.	preferred
x	without bonus	op.	option

These stock prices are unofficial.

Most active stocks

Mizrahi R	893	2261.4	+5
FIBI	836	2177.5	n.c.
Danot 5.0	326	2161.8	—1

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בנק אמריקאי ישראלי בע"מ
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FOREIGN CURRENCY
7.6.82

Yesterday's foreign exchange rates against the Israel Shekel, for U.S. dollar transactions under $3,000 and transactions of other currencies under the equivalent of $500.

	Selling	Buying
US$	22.3349	22.1170
DM	9.3805	9.2890
Swiss FR	10.9471	10.8403
Sterling	39.9594	39.5695
French FR	3.5033	3.5581
Dutch G	8.4602	8.3777
Austrian SH(10)	13.3184	13.1884
Swedish KR	3.7734	3.7366
Danish KR	2.7495	2.7226
Norwegian KR	3.6588	3.6230
Finnish MK	4.8612	4.8137
Canadian $	*17.7804*	*17.6069*
Rand	20.4923	20.2923
Australian $	23.3748	23.1465
Belgian FR (10)	4.9655	4.9170
Yen (100)	9.0838	8.9952
Italian Lire (1000)	16.9364	16.7711

GOLD PRICE: $324/324.50

INTERBANK LONDON SPOT RATES:

US$	1.7885/95	per £
DM	2.3810/20	per $
Swiss FR	2.0385/00	per $
French FR	6.2030/70	per $
Italian Lira	1319.40/70	per $
Dutch G	2.6400/15	per $
Norwegian KR	6.1035/55

Ari Rath
Editor and
Managing Director

THE JERUSALEM POST

Erwin Frenkel
Editor

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Sivan 17, 5742 • Sha'aban 16, 1402

Race against time

"THE BEAUFORT is yours," Prime Minister Menachem Begin triumphantly announced to militia leader Major Sa'ad Haddad when the two met and embraced yesterday.

In the hands of the PLO, that old Crusader fortress in Southern Lebanon had proved the terror of the Galilee settlements and of Haddad's enclave. Now wrested away by the advancing Israeli troops, it should assure the peace of Galilee — and of Haddadland as well. But that military fact took on a political coloration in being broadcast by Mr. Begin to Mr. Haddad: from now on the Beaufort is safely in the hands of Israel's friends in Lebanon.

Presumably, it could not be taken away from them even if the area of Israel occupation were eventually to be turned over to an expanded UNIFIL.

Such are the facts on the ground created by the IDF's advance. But the time for their creation is fast running out. According to Chief of Staff Rafael Eitan yesterday noon, the army had packed two days' fighting into a single one, which would be a major achievement. But the army's mission had still not been completed when the 24 hour-period unanimously granted by the Security Council early yesterday morning for the cessation of hostilities and for the IDF's withdrawal to the international border, drew to a close.

U.S. special envoy Philip Habib rushed here yesterday, on direct orders of President Reagan, to impress on Mr. Begin, in the clearest possible, though cordial terms, that the U.S. fully supported the Security Council's call. Knowing this, the prime minister had Mr. Habib cool his heels most of the day before seeing him in the late afternoon.

This was arguably only the latest instance of the race against time that had characterized all of Israel's wars. Mr. Begin was anxious for the troops to push their way farther north — past the captured Hasbaya and the encircled Sidon — before he would inform Mr. Habib, and through him Mr. Reagan, that, fighting as it was in legitimate self-defence against bloodthirsty terrorists, Israel was unable to heed the council's appeal. That is, not just yet.

The cessation of hostilities plainly had to await the completion by Israel of the conquest of the 40 kms. deep strip which the premier had already informed the U.S. president would have to be cleared of terrorist presence; and the withdrawal to the international border could not precede the establishment of a new order within Lebanon, based on the ascendancy of Israel's friends and a redefinition of UNIFIL's mandate as guarantor of the peace of Galilee.

It remains to be seen how well Mr. Regan will take Mr. Begin's snub. So far Mr. Reagan has been true to his image as Israel's best friend in Washington — after Secretary of State Alexander Haig. Even his remonstrances with Mr. Begin have been amiable in the extreme. His ambassador to the UN, Jeane Kirkpatrick, has been courageously resisting any attempt to have this country unilaterally blamed for the present outbreak of fighting in Lebanon.

The State Department spokesman yesterday also tried to sound even-handed, showing understanding for Israel's action, but stating in no uncertain terms that the fighting must cease without delay and that Israel is expected to leave the expanded buffer zone in South Lebanon as soon as possible.

Within the Republican administration there is, however, as Mr. Begin is well aware, a faction headed by Defence Secretary Caspar Weinberger, which takes a far dimmer, and grimmer, view of the Israel connection.

Mr. Weinberger is reported to be now weighing a cancellation of his scheduled trip to Jerusalem and, more importantly, he is said to be advocating an end to the "special relationship" with Israel as punishment for the thrust into Lebanon. Twice in the recent past Mr. Reagan has slapped Israel on the advice of Mr. Weinberger, and if he does so again the consequences could be far more serious than the suspension of the Memorandum of Understanding.

The word from Washington is that the president will take no decision until the dust has settled. But a great deal will doubtless depend on how much longer the war goes on — and on whether or not it spreads further, through the Syrian-held areas of Lebanon. The latter possibility is viewed with considerable distaste in Washington.

Israel's war aims in Lebanon have been given a prudently low profile by the government. This was done at least in part to convince the Americans that they need not fear the offensive against the terrorists setting off a wider conflict. But the only means of allaying such apprehensions may be a quick winding down of the war.

PLO AIMS

(Continued from Page One)

len, along with the Crusader fortress of Beaufort, near Nabatiyeh, Nabatiyeh itself, and Hasbaya in the Arkoub region.

Official Lebanese sources confirmed later that Beaufort, Nabatiyeh and Hasbaya had fallen, but still said nothing about Tyre.

The fall of the Beaufort, strategically perched high above the Litani ravine and dominating most of Southern Lebanon and much of northern Israel, appears to have been particularly difficult for the PLO to accept, and it continued to deny Israeli claims throughout the day yesterday.

The castle had become a symbol to the PLO, and according to Associated Press reporter Alex Efty, PLO members had boasted to him on several occasions during the past decade that they would resist an Israeli siege, just as their 12th century forebears had resisted the Crusaders.

But unlike their forebears, who managed to withstand a Crusader siege for some two years before being forced by hunger to surrender, the castle's present defenders appear to have been unable to hold out for much more than 24 hours.

Earlier in the day, PLO communiques admitted that Israeli forces had pushed into Nabatiyeh, its main stronghold in the central sector, but denied it had fallen. Western correspondents reported from the front, meanwhile, that Israeli tanks had entered Hasbaya on the easternmost prong of Israel's three-prong attack. They said the town and the surrounding hills were all under Israeli control.

Dozens of mud-camouflaged trucks filled with PLO fighters were seen streaming from the Arkoub north into the Syrian-held Beka'a valley after the capture of Hasbaya, which brought the Israelis to within 9km of Syrian lines in Southern Lebanon.

Reporters were unable to go south from Beirut along the Mediterranean yesterday because all roads were blocked by Israeli operations, making it hard to assess how the PLO had performed in general against the Israelis.

But there seems to be no doubt among Beirut-based military analysts that the PLO had suffered a colossal military loss in the invasion that has swiftly stripped the PLO of vast areas of its traditional main power centre in the Middle East.

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THE FRUITS OF VICTORY

By YOSEF GOELL

LEBANON PARTICIPATED fitfully in the 1948 war against the newly established Jewish State of Israel, but it is worth remembering that the Lebanese-Israel border was the most pacific of Israel's borders for the last 25 years, during which Israel was engaged in three major wars with an assortment of Arab enemies.

That near-idyllic picture changed violently as a result of the forced relocation of the PLO in Lebanon following its virtual decimation by King Hussein's Beduin army in 1970 and 1971.

Poor Lebanon paid the tragic price for the restoration of internal security in Hussein's Jordan. The presence of the PLO was the major cause of the transformation of a shaky but workable coexistance between Lebanese Christians and Moslems into a civil war that has, in effect, destroyed the country.

Given the PLO's *raison d'etre* — its dedication to the destruction of Israel and the annihilation or violent expulsion of its Jewish population — it was inevitable that after establishing itself on the ruins of Lebanon its armed presence there would develop into a thorn in Israel's side.

It is correctly argued that the PLO has never constituted a serious threat to the existence of Israel. But it has, since the early 1970s, constituted a mortal peril to individual Israelis and, periodically, it has posed a threat to large concentrations of Israel's civilian population which lived within range of its growing Soviet-supplied arsenal.

ISRAEL HAS attempted to nip this threat in the bud several times, as would any responsible sovereign government whose citizens were placed under such a threat of attack.

Given the disparity in military strength, these Israeli attempts usually began with a marked degree of military success only to be followed by frustrating political failures, which eventually led to a new round of military escalation.

The Litani Campaign of 1978, which followed the PLO attack on a busload of Israeli passengers on the Coastal Road, was, by and large, a botched attempt. Its purpose was to destroy as much of the PLO armed strength on the ground as possible.

But the delay in launching the campaign, and the insistence on keeping casualties to an absolute minimum by maximum use of long-range fire-power, resulted in the PLO escaping with almost its entire strength from the wrath of the Israel Defence Forces.

THE POLITICAL consequences of the Litani Campaign constituted a mixed bag. The best result was the creation of a contiguous belt between the Christian and Shi'ite armed enclaves in the south, which have served as a partially successful buffer against PLO attacks across Israel's northern border.

There is a difference of opinion regarding the efficacy of UNIFIL's performance, an organisation that was created in the wake of the campaign and as a condition of Israel's withdrawal from Lebanon.

Different UNIFIL units have produced different results, but in 1982 a fair assessment of the position in Southern Lebanon would be that the international force serves more as a shield for Israeli retaliatory raids against the PLO than as an effective force against the PLO armed presence in its midst.

Last July's war of attrition against civilian settlements in the Upper Galilee panhandle and in Western Galilee came precariously close to inviting an Israeli land invasion of the sort that occurred this week. That invasion was stopped by American pressure and an American-manipulated cease-fire.

The cease-fire arranged by U.S. Special Envoy Philip Habib, using "the good offices" of that renowned neutral lover of peace Saudi Arabia, was an impressive piece of legerdemain, having been concluded between two parties, Israel and the PLO, which insist on denying each other's existence.

IT IS not surprising that that makeshift cease-fire did not live out its first year. There is good reason now, in retrospect, to believe that Israel got the short end of the stick in that agreement.

During the past 11 months, the Americans have acquiesced in PLO insistence that the cease-fire covered only military activities across the Lebanese-Israel border, not terrorist acts against Israelis abroad or civilian targets within Israel itself and in the occupied territories. Nor did the Americans, who were the godfathers of the agreement, agree that the cease-fire should limit the further rapid arming of the PLO and the digging in of PLO artillery, rocket, anti-aircraft and infantry units within striking range of Israel's northern civilian population.

The wonder of it all is that the cease-fire lasted as long as it did. That it succeeded at all was largely due to Israeli self-restraint and the periodic American pressure which helped encourage it.

One of the timely and useful aspects of this week's campaign for the "Peace of Galilee" is that it serves as a reminder of the limits of even U.S. pressure on Israel when Israel's most basic interests are at stake.

U.S. REACTION

(Continued from Page One)

wanted to wait until he returns to Washington on Friday, before approving any specific punitive measures against Israel, such as suspending arms deliveries currently in the pipeline.

The president was described by these sources as "privately very angry against Israel" for ignoring repeated U.S. requests to avoid any ground movement into Lebanon.

The State Department issued a statement yesterday that Israel "will have to withdraw its forces from Lebanon," but it directly linked such a pullback to an end of the Palestinian shellings against Israel.

Spokesman Alan Romberg said that a withdrawal of Israeli forces and an end to Palestinian shelling should be implemented simultaneously, insisting they were "inextricably linked."

Earlier in the day, Arens met with Under Secretary of State Lawrence Eagleburger and later said it was "a good meeting."

The ambassador said that there had been "no hint whatsoever" that the U.S. might punish Israel for invading Lebanon. He also denied that the Americans had indicated that they wanted Prime Minister Menachem Begin to postpone his scheduled visit to the U.S. later this month.

Nevertheless, Reagan and Haig were clearly unhappy that the fighting in Lebanon had come to overshadow Reagan's European summit, which the president had hoped would help strengthen his image back home as a world statesman.

According to reliable U.S. sources, a split appears to be developing within the administration regarding the proper U.S. response to Israel's attack.

Some top U.S. officials, including UN Ambassador Jeane Kirkpatrick, favour a relatively sympathetic response. Others, however, are becoming openly critical of Israel's decision to send in ground troops. They are pressing for strong U.S. arm twisting to convince Israel to stop the fighting.

Those critical of Israel, led by Defence Secretary Caspar Weinberger, do not believe that last week's assassination attempt against the Israeli Ambassador to the UK justified the subsequent Israeli reaction. Their anger has been heightened because the British police are said to have informed the Americans that the PLO was apparently not behind the terrorist attack. The final U.S. reaction, American officials said, will largely be affected by the course of Begin's discussions in Jerusalem with U.S. special envoy Philip Habib. The Americans were also nervously waiting to see whether Syria would join the fighting.

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READERS' LETTERS

WRONG WORD

To the Editor of The Jerusalem Post

Sir, — Benny Morris, in his "History round-up" (May 7), uses the term, "maquis-infested Deordogne."

I protest strongly against the word "infested" which, in my opinion, is always used in a negative way such as rat-, lice-infested. It was the Germans who infested the Dordogne and, as Mr. Morris stated correctly, the maquis there and in the Massif Central suffered heavy losses in non-combattants because of brutal murders by the German army.

The use of the word "infested" is an insult to the Resistance.

J.E. MARCHAND
Hadar Am.

DEAD RIGHT

To the Editor of The Jerusalem Post

Sir, — One can only agree with Ms. Lovatch that children should not be the target for shooting (Letters — May 31). But should children be allowed and encouraged to throw stones, which can be lethal?

Having read the PLO covenant and the repeated statements of this organizations's leaders, I find little room for optimism for a peaceful solution, other than a peaceful sell-out. Yet Ms. Lovatch considers it right that there should be another Arab Palestinian state.

If Ms. Lovatch has her way, it is likely that we will all end up dead right.

M. SILVER
Netanya.

ARMS TO ARGENTINA

To the Editor of The Jerusalem Post

Sir, — I cannot help marvelling at the British. For 34 years, they have been supplying tanks, planes, ships and other weapons to our enemies, who seek the utter destruction of Israel, yet without batting an eyelid, Britain rebukes us for selling arms to a country with which she is squabbling over islands many thousands of miles away.

Our government's reply should be, simply, that we shall discontinue the sale of weapons to Argentina when Britain stops stocking Arab arsenals.

Mrs. JOAN SILVER
Rehovot.

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Dry Bones



THE OPERATION was preceded by a protracted national debate over the wisdom of the operation, the chances of its success and the risks entailed.

A tiny minority of Israeli public opinion holds the view that it is in Israel's interest to try to woo the PLO from the path of violence and of antipathy to the very existence of the Jewish state, and that there is a reasonable chance of such a novel approach achieving a modicum of success.

But the main debate in Israel was over the chances of success, the risks involved, and the limits entailed in any such initiative. The debate was particularly acrimonious because of the abrasive personality of Minister of Defence Ariel Sharon and the tense relations that have developed between Prime Minister Menachem Begin and the leaders of the Labour opposition.

Part of the national debate in recent weeks revolved around the nearly philosophical question concerning the possibility of "wiping out the PLO threat in its entirety" by a predominantly military action. What is called in Hebrew the *zbang vegamarnu* approach.

THE TENDENCY at such times to divide into categorical "yes" or "no" camps tends to overlook the more reasonable position that, while it may be impossible to wipe out a broadly based national movement like the PLO in one fell swoop, it is equally untenable for Israel to refrain from engaging it militarily as frequently and as effectively as possible, with the timing of such engagements to be determined preferably by Israel rather than by the PLO. The debate was suspended when the order was given for the army to move. The impression at the outset is that Begin has placed himself at the head of those forces in the government which are determined that clear limits be placed on what was an otherwise unavoidable Israeli reaction to the massive shelling of civilian settlements. The enemy this time is the PLO, not the Syrians.

At the time this is being written, it is still impossible to say whether the government's assessment of the chances of success and the risks entailed will prove correct.

So far the Syrians have been very circumspect in not coming to the aid of their PLO "allies."

WHAT IS even less clear is whether Israel will be permitted to reap the benefits of its military success. On one score, it would seem that this time much greater damage will be inflicted on the PLO and its infrastructure than was done in the Litani Campaign.

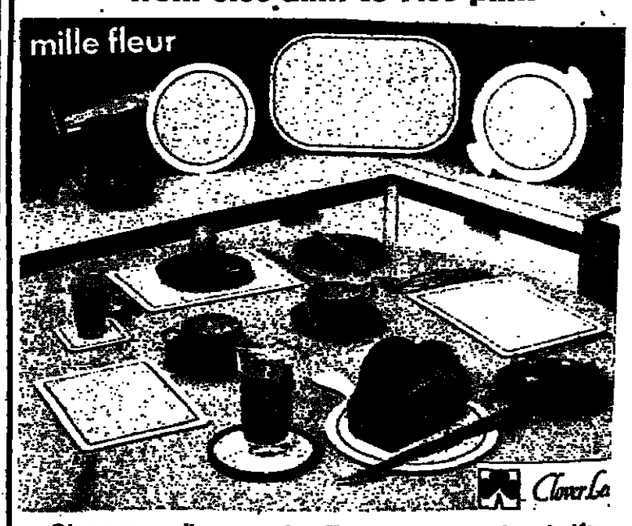
It is generally agreed in Israel that the IDF will not be able to remain indefinitely in the territories that are being cleared of the PLO presence. Israel will have to make way for some other presence. Whether that "peace-keeping" presence proves to be as ineffective as UNIFIL remains to be seen.

Two factors may be different this time from the conditions which made the political aftermath of the Litani Campaign so frustrating: The surrounding Arab world is more divided than ever around the fears engendered by the Shi'ite threat from an extremist Iran, with Syria — and to some extent the PLO — being considered supporters of the Iranian peril.

And the Reagan administration may just prove to be less fatuous than its predecessors in adopting a neutral stance between the PLO and Israel.

What is clear is that the real battle for security in Southern Lebanon and in Israeli Galilee will begin only when the big guns fall silent. Let us hope that whatever human sacrifices Israel makes in achieving that goal, will bear fruit when the political battle is concluded.

The writer is a member of The Jerusalem Post *editorial staff.*

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